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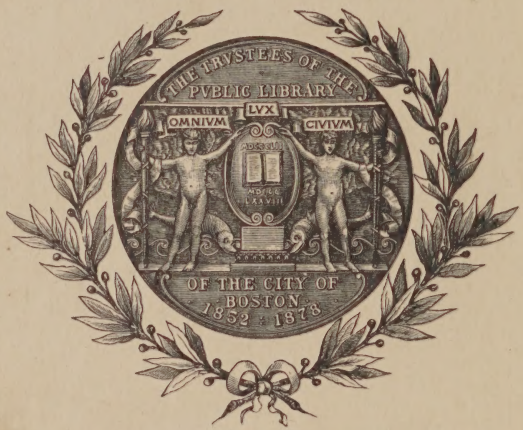

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REPORT

OF

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Massachusetts. General Court.

JOINT SPECIAL COMMITTEE,

(APPOINTED)

TO INQUIRE IF ANY RAILROAD CORPORATION, CHARTERED, &c., HAS PAID MONEY TO INFLUENCE LEGISLATION, &c.

BOSTON:

WRIGHT & POTTER, PRINTERS, No. 79 MILK STREET.

(CORNER OF FEDERAL STREET.)

1869.

Mr. C. E. C. Bird.
June 2. 1797.
7658.120

SENATE....No. 360.

Commonwealth of Massachusetts.

In Senate, June 7, 1869.

The Joint Special Committee appointed under the following Order—

Commonwealth of Massachusetts.

In Senate, February 23, 1869.

Ordered, That a joint special committee, to consist of five members on the part of the House, with such as the Senate may join, be appointed to inquire if any railroad corporation chartered by and receiving aid from this Commonwealth has paid large sums of money, either to aid legislation in their behalf, or suppress legislation adverse to their corporate interest; and that such committee have power to send for persons and papers. And said Committee is also further authorized to inquire if any other railroad company or other corporation chartered here, or if any other party or person has at any time used any improper means or influences to aid or to suppress legislation.

have considered the subjects committed to them, and submit the following

REPORT:

The Committee find that most of the corporations, parties and persons having business before the legislature employ men known as lobby members, and that such persons receive money for an influence which they are supposed to exercise

over the members of the legislature, or the legislature itself; and the Committee ask particular attention to the testimony on this point presented in the Appendix to this Report.

Under the Order referred to them, and introduced by Mr. Nash of Boston, to consider what measures, if any, can be adopted to relieve the people of Massachusetts from the payment of a tax of two hundred thousand dollars, annually, on account of the distribution of twenty thousand shares of Boston and Albany Railroad stock among the stockholders of that road,—the Committee summoned the President of the road, Chester W. Chapin, whose testimony may be found in the Appendix to this Report, and to the careful consideration of this testimony the Committee would call the attention of the legislature.

The legislature of 1866 passed an Act, the first two sections of which read as follows :—

"Sect. 1. The Western Railroad Corporation is hereby authorized to increase its capital stock by an amount not exceeding three million eight hundred and fifty thousand dollars, by adding thereto an additional number of shares, not exceeding thirty-eight thousand five hundred and fifty shares, of one hundred dollars each; so that the entire capital stock of said corporation shall amount to ten millions of dollars. At least one million eight hundred and fifty thousand dollars of said increased capital stock, or the proceeds thereof, shall be applied toward the construction of the bridge over Hudson River, the completion of the double track of the railroad of said corporation, and the equipment of said road. And said corporation shall, from the proceeds of said new issue of stock, complete the construction of said double track within two years from the passage of this act, and provide all suitable and necessary equipment therefor. No more than eighteen thousand five hundred shares shall be issued prior to January 1st, in the year eighteen hundred and sixty-seven.

"Sect. 2. Before any sale of the new shares authorized to be created by this act, the directors of said corporation shall give notice in writing of such authorized increase to the treasurer of the Commonwealth, and to the other stockholders; and then, thirty days after such notice, the Commonwealth and the other stockholders may take, at the par value thereof, their proportion of such increased shares, according to the number of shares in such capital stock owned by them severally at the date of such increase. And

if any shares then remain unsold, the said corporation may dispose of the same at not less than the par value thereof."

Under this Act, which, to all appearance, was passed to enable the Western Railroad Company to raise money by an increase of capital, to build a bridge over the Hudson River, complete a double track and add to the equipment of the road, the directors issued twenty thousand shares of stock, and divided the same *pro rata* among the stockholders without receiving therefor the first dollar into the treasury of the company wherewith to aid in the building of a bridge over the Hudson River, the laying of a second track, or making additional equipment for the road. From the reading of the statute, it is evident that no such use of the increased capital was intended, although Mr. Chapin testifies that the matter was so understood by the Committee which reported the bill.

The Committee come to the conclusion that this division of increased capital among the shareholders of the Western Railroad Company was without justification of law, and in total disregard of the statute under which the increased capital was created.

The Western Railroad was chartered in the year 1833—chapter 116—and the 14th section of said chapter is in the following language:—

"That the government of the Commonwealth may, at any time during the continuance of the charter hereby granted, after the expiration of twenty years from the opening of said Western Railroad for use, purchase of the said corporation the said railroad, and all the franchise, property, rights and privileges of the said corporation, by paying them therefor the amount expended in making said railroad; and in case at the time of making such purchase the said corporation shall not have received a net income equal to ten per cent. per annum on the said expenditures, from the time of the payment thereof by the stockholders, by paying the corporation such additional sum as, together with the tolls and profits of every kind which they shall have received from the said railroad, will be equal to a profit of ten per cent. per annum on the cost of said railroad, from the date of the payment thereof, by the stockholders of the said corporation, to the time of such purchase. And it shall be the duty of said corporation, from year to year, to

make a report to the legislature, under oath, of their acts and doings, receipts and expenditures, under the provisions of this act. And their books shall at all times be open to the inspection of any committee of the legislature appointed for that purpose. And if said corporation shall unreasonably neglect or refuse to make such report, at the expiration of every year after the opening of said railroad, for every such neglect or refusal they shall forfeit and pay to the use of the Commonwealth a sum not exceeding ten thousand dollars, to be recovered by action or indictment in any court of competent jurisdiction."

In 1867 the legislature made provision for the consolidation of the Western and Boston and Worcester Railroads and by this Act of 1867, chapter 270, in section 17, provision for purchase is again made as follows:—

"The Commonwealth may at any time purchase of the Boston and Albany Railroad Company its road and all its franchise, property, rights and privileges, by paying therefor such sum as will reimburse it the amount of capital paid in to the several corporations composing it, and to the Boston and Albany Railroad Company, with a net profit thereon of ten per cent. a year, from the times of the payment thereof by the stockholders of said corporations respectively, to the time of the purchase."

It is evident from the language of these sections that the legislature did look forward to the time when the State should become the purchaser and owner of the said railroad; and, in the judgment of your Committee, should the time ever arrive when the State should consider it for its interest to make the purchase of said railroad, the amount of stock distributed in 1867 among the stockholders would be regarded as a sinking fund, which, together with the cash dividend annually paid thereon, would be regarded as so much of a payment to the stockholders of the cost of said railroad.

This view of the matter, however, would be no justification for the course the Western Railroad Company pursued in the distribution of twenty thousand shares among the shareholders in 1867.

The Committee believe that the time will come when the State will avail itself of the provisions of section 14 of chapter one hundred and sixteen of the Acts of 1833, and section 17 of

chapter 270 of the Acts of 1867. And that, by a reduction of fares and charges on transportation of passengers and freight, the Commonwealth will make the Boston and Albany Railroad of incalculable value to the people of the State as well as to the State itself, managing and operating it primarily and directly in the interests of the people of the State, instead of primarily in the interests of stockholders, and secondarily in the interests of the public.

Even this, however, is no legal justification of the act of stock distribution, as the General Statutes distinctly provide in chapter sixty-eight, section nine, that "corporations having a capital stock divided into shares, unless specially authorized, shall not issue any shares for a less amount to be actually paid in on each share than the par value of the shares first issued."

In this matter of the creation of two thousand shares by the Western Railroad Company, no money was actually paid in on each share, but the stock was created and issued to represent earnings and accummulations of the company which had from time to time been paid out in the building of the road, laying new track, and in completing the bridge over the Hudson River.

In regard to the Order referred to them requiring them to inquire into the arrangement made by the Adams Express Company with the Boston, Hartford and Erie Railroad, the Committee report that it did not appear that any exclusive policy had been adopted by the Boston, Hartford and Erie Railroad; but that, on the contrary, any express company could do business over the line of the said railroad on the same terms made by the Adams Express Company. (See testimony in Appendix.)

The Committee in their several investigations are satisfied that the influence of the Lobby (so called) is greatly overestimated. A certain number of persons, known as lobby members, receive very considerable sums of money from corporations and other parties having business before the legislature. In the opinion of the Committee, this influence is not legitimate in matters of legislation. Committees are provided by the legislature, to whom all matters are referred and before whom all matters are legitimately heard. Whoever desires to present testimony or statements can do so before these committees and this testimony legitimately reaches both branches of the legislature through these several committees.

The parties referred to as lobby men, are not lawyers, and have no legitimate professional calling at the capitol; but are supposed to have more or less influence in private talks and conversations by partial presentation of matters to individual members.

The Committee believe money expended in the employment of these men is wasted by the parties who expend it, and that the influence of such expenditures has a tendency to demoralize legislation and create suspicions of integrity of members where suspicion should never rest.

The Committee, in all their examinations, have had no reason to suppose that any member either of this or any previous legislature has been influenced by any improper or dishonorable motives.

For the Committee,

DANIEL NEEDHAM, *Chairman.*

APPENDIX

APPENDIX.

APPENDIX.

FIRST PUBLIC HEARING.

FRIDAY EVENING, May 14th, 1869.

The Committee met at eight o'clock, Senator NEEDHAM in the chair.

Mr. NEEDHAM. The Chair has received the following communication from Mr. Drew, who is one of the witnesses summoned here this evening:

STATE HOUSE, BOSTON, May 14, 1869.

Hon. DANIEL NEEDHAM, *Chairman of Joint Special Committee:*

SIR,—I came to Boston this P. M. from the bedside of my youngest child, a fine boy of nearly five years old, who lies dangerously ill of scarlet fever, with the purpose of answering your summons of the 12th inst. to appear before your Committee; but at ten minutes before six I received the enclosed telegram from my wife, and I knew too well its fearful import to permit anything to detain me from my home.

You will therefore accept this hasty written note as my apology, and with it the assurance that I intend to be present at the next meeting of your Committee.

Yours very truly,

THOMAS DREW.

The despatch referred to was as follows:—

WEST NEWTON, MASS.

To THOMAS DREW, care of Charles Drew, at Ames Plow Co's, Quincy Hall: Come home as early as you can. Mrs. T. DREW.

Mr. MORRISEY. May I state, Mr. Chairman, that Mr. Drew came up hastily soon after the House adjourned to see what could be done about it. I could not find any of the Committee. The House had adjourned, and you had all gone home. I told him I presumed if he wrote you a note, enclosing the telegram, it would be satisfactory to the Committee, and under those circumstances he wrote it with haste.

J. S. ELDRIDGE—*Sworn.*

Q. (By Mr. NEEDHAM.) You are an officer of the Boston, Hartford and Erie Railroad?

A. Yes, sir.

Q. What officer?

A. President of the Boston, Hartford and Erie Railroad.

Q. How long have you been President?

A. Since September, 1866.

Q. Do all the moneys which are paid out for services rendered your company go upon the books of your treasurer?

A. I believe they do, sir.

Q. Do they go upon the books of the treasurer as money paid out for the exact service which is rendered?

A. I know of none that is paid out otherwise, or goes upon the books otherwise.

Q. Who has charge of the books?

A. Mr. Hall is the treasurer, and Mr. Barry is the assistant treasurer. Mr. Hall has charge of the books and the entries, I believe.

Q. To your knowledge, has any officer of your company ever paid out any money for services rendered the company, that has not gone upon the books of the company for the service that was rendered?

A. I don't know of any.

Q. Have you employed men for counsel, either in or out of the Legislature, before committees, or in any other way, who were not professional lawyers?

A. No, sir.

Q. Have you employed men to aid you in any service in the Legislature, before committees, or otherwise, who were not professional lawyers?

A. I don't think the road ever has at all, with perhaps two or three exceptions, as I stated before.

Q. Bear in mind that the statements which you have made heretofore are as if they were not made.

A. They are, yes, sir.

Q. If you have anything to say now, you will say it as if you had not previously testified.

A. No, sir, I think there are no men that have been employed by the company at all, who were not professional lawyers, except perhaps two or three exceptions.

Q. Name the exceptions?

A. I think that Mr. Nichols and Mr. Foster, and perhaps one or two other parties—I don't remember who they were—that were employed by the company. Those are the only parties I know of.

Q. What were they employed for?

A. They were employed to furnish information, and to look after the legislation; not to use any undue influence, or to influence anybody either way in regard to the legislation.

Q. When were they employed?

A. I think they were employed in the winter of '67, and I don't know but they might have been employed in the winter of '68.

Q. Who employed them?

A. I think I spoke to them about it.

Q. Do you remember whether or not you made any arrangement with them?

A. No, I think not; I don't remember of any arrangement having been made.

Q. You say you employed them. Be kind enough to tell the Committee how.

A. I think all that was said, all I ever said to any of them was, if they could be of any service to us, I should be happy to have them look after our interests.

Q. What matter had you at that time pending, in which you were interested as a company?

A. We had this matter of the State aid which we were then looking after.

Q. That was in '67?

A. Yes, sir, that was in '67.

Q. What in '68?

A. I can't tell you what there was in '68. I was absent most of the time, and can't tell you what there was. I don't remember, but my impression is I might have employed them.

Q. You are not certain?

A. I am not certain.

Q. You are certain you employed them in '67?

A. I think in '67 I employed those gentlemen, and paid them out of my own personal funds, and I find that that never went on to the books of the corporation at all. It stands so to-day. I have forgotten the amount, but it was a very small amount that I paid them.

Q. Was there any other party employed?

A. I think there was one or two, but who they were, I don't remember.

Q. Didn't you employ them?

A. Yes, I think I did, but who they were I don't remember.

Q. Did you ever employ Thomas Drew?

A. No, sir.

Q. Did he ever claim that he had been employed by you?

A. No, sir.

Q. Did he ever claim money at your hands?

A. Not for services.

Q. For what did he claim money?

A. That was a matter entirely personal to myself. It had no connection with the corporation in any form whatever, and no money was ever paid by me to Drew, or by any officer of our corporation, for any service rendered or to be rendered by Mr. Drew. I have no objection personally to state to the Committee exactly the transaction between myself and Mr. Drew. I will, however, say, it was a purely personal matter, and stands personal to me, and had nothing to do whatever with the corporation, with any legislation, with any action before the Governor and Council, or Commissioners. I am ready to do exactly as you say upon this. If you think it is important that I should go into a matter personal to myself, and it is desired on the part of the Committee to have it, I have no objection to giving it to them.

Q. Mr. Eldridge, I will ask you this question. Did Mr. Drew ever claim that he had, directly or indirectly, rendered service for the Boston, Hartford & Erie Railroad Company, for which he should receive money?

A. My own impression is that he might have done so. There is a difference of opinion between him and myself upon that point. I have talked with Mr. Drew about these matters. I have no concealments. I will state to you I have talked with him about it and requested him to come and testify all about it, which he promised to do, which I suppose he would have done, except, I understand, he had this telegram from his wife or family which called him away. My impression is he said something about it in an interview I had with him. He thought he ought to have been employed, or was entitled to some consideration for his service, or something of that sort. That is my impression. Still, Mr. Drew never performed any service for that road in any form or shape whatever, and was never paid a dollar in consideration of any claim for service either.

Q. What was the service he represented he had performed for the company?

A. I don't remember what it was, sir.

Q. How high a value did he place upon that service?

A. He never placed any value upon the service at all.

Q. I will ask you one general question. Have you ever paid, or has any person representing the Boston, Hartford and Erie Railroad Company, paid, to your knowledge, any money, or anything equivalent to money, to any person, with any understanding, express or implied, that it was to be used secretly in any way to influence legislation?

A. No, sir.

Q. That applies to the State government?

A. Everything, I understand the question. In regard to this matter of Drew's, I want the Committee to understand distinctly, I have no concealments about it myself, personally, and no desire to keep anything back from the Committee in regard to Mr. Drew.

Q. I will ask you one further question, so the Committee may understand alike upon this matter hereafter if it should come up. I will ask you if any money was paid by you to Thomas Drew for the purpose of influencing legislation, or any member of the legislature, or any member of the State government, or any parties who might influence either members of the legislature or the State government?

A. Never one dollar, sir.

Q. I would like to ask you whether you, or any officer of the Boston, Hartford and Erie Railroad, ever paid to any person counsel fees in anticipation of his being a member of the Legislature, or during the time that he was a member of the Legislature?

A. No, sir; never to my knowledge.

Q. You understand the question?

A. I think I understand the question. I do not know of any such money having been paid.

Q. You say that no counsel or person was ever in the pay of your company or received fees from your company during the time he was a member of the Legislature?

A. I don't know of any such person.

Q. And you never paid money to any person as counsel in anticipation of his becoming a member of the Legislature ?

A. Never.

Q. (By Mr. BIRD.) Did you ever consider it possible that any of your counsel might become members of the Legislature ?

A. I presume very likely they might have been. That was not the question.

JAMES A. DUPEE—*Sworn.*

Q. (By Mr. NEEDHAM.) You were formerly treasurer of the Boston, Hartford and Erie Railroad ?

A. Yes, sir.

Q. How long since you resigned ?

A. In September, 1866.

Q. That was previous to the State aid ?

A. Yes, sir.

Q. During your connection with that road as treasurer, to your knowledge was any money paid by the company to influence the Legislature of the State ?

A. Yes, sir.

Q. What ?

A. We paid $500 to Foster and Nichols to assist in the passage of the Berdell Mortgage Bill, so called.

Q. Any other money ?

A. No, sir.

Q. What influence was it supposed that money secured ?

A. For the purpose of giving the members information which it would be difficult to get to them otherwise. It was impossible for us to spend all our time here ourselves in enlightening each member of the Legislature upon the subject, and we employed them as our agents, as we would employ counsel.

Q. To enlighten members of the Legislature was your end ?

A. Yes, sir.

Q. Any other money ?

A. No, sir, not one dollar.

Q. To your knowledge, did any officer of the company, in behalf of the company, ever pay any money for the purpose of influencing legislation, or influencing any member of the State government ?

A. Not aside from that, sir.

Q. That is the only transaction ?

A. That is the only transaction.

Q. Nothing given as an equivalent for the money ?

A. Not that I am aware of.

Q. All your transactions go upon your books ?

A. Every cent.

Q. And go upon the books of the company for the very purpose for which the money was expended ?

A. Certainly.

Q. And the vouchers for every transaction ?

A. Yes, sir.

Q. How are the accounts of the company audited?

A. We employed Mr. Sanford at that time to audit the books of the company. He was an outside agent—ticket agent, or something of that kind, but a man exceedingly competent to audit the books.

Q. You have been familiar with the transactions of the Boston, Hartford and Erie Railroad for the last two or three years, since you left the treasurership?

A. No, sir.

Q. Familiar with its public transactions?

A. In a very general way.

Q. As a matter of general notoriety?

A. No further, sir.

Q. You are a banker?

A. I am a broker, sir.

Q. So far as your knowledge extends, what has been the general public judgment of the management of the Boston, Hartford and Erie Railroad?

A. It is a very difficult question to answer, sir. My own opinion I am very willing to give. Managed with extraordinary ability and energy, and, generally, I should say, in the right direction.

SAMUEL HALL, JR.—*Sworn.*

Q. (By Mr. NEEDHAM.) You are the present Treasurer of the Boston, Hartford and Erie Railroad?

A. Yes, sir.

Q. How long have you been Treasurer?

A. Since September, 1867.

Q. Were you familiar with the management of the railroad company so far as securing the State aid was concerned?

A. Not familiar with any of the details of it, sir.

Q. So far as you are familiar with it, be kind enough to tell the Committee.

A. I have no knowledge of the details of the business whatever, personally. had nothing to do with it myself. I have simply acted as Treasurer of the corporation, since the time I was elected.

Q. To your knowledge, was any money paid out by the company to influence legislation during the time the State aid was secured?

A. No, sir, none whatever.

Q. You know of no money paid to any parties?

A. No, sir, not for that purpose.

Q. Who had the management of that part of the work of the company—the securing of the State aid?

A. The President, I think, mainly.

Q. Mr. Eldridge?

A. Yes, sir.

Q. Have you your cash book here?

A. Yes, sir.

Q. Are there any entries on that book of money paid to any persons for services before the Legislature?

A. No, sir.

Q. Will you allow us to see your cash book?

[Witness produced the book.]

Q. Are any moneys paid, or have any moneys been paid out by you which have not gone upon the books of the Treasurer, and for the very purpose for which they were actually paid?

A. There are some memorandums that have not gone on to the cash book, but they are for no purposes of fees to any person. They are parts of amounts due to persons; contractor's bills, that are partly settled, and things of that sort. There is no memorandum of any sums for legal services or anything of that nature.

Q. Do you know of any money, or anything that is the equivalent of money, that has been at any time paid by any of your officers in behalf of the company, to aid or influence legislation in respect to your corporation?

A. Not at all. I have no knowledge of any such thing.

Q. To your knowledge, has any influence been given by your company, or any of the officers of your company, or any of the employees of your company, or any of the counsel of your company, to carry measures of legislation, in consideration of a like influence being given in your behalf, by other members of the Legislature?

A. What kind of influence do you mean?

Q. Such as log-rolling, sir. That perhaps will cover the whole ground.

A. I don't know of any such.

Q. Did you ever know of any?

A. No, sir.

Q. Who are your directors?

A. The President, Mr. Farwell, Mr. Healy, and Mr. Whitney, are the Boston directors.

J. S. ELDRIDGE—*Re-called.*

Q. (By Mr. NEEDHAM.) You heard the question I just put to Mr. Hall?

A. I think I did, sir. I think General Whitney paid three or five hundred dollars to some parties as counsel, from the western part of the State. I don't remember who they were, or what they were, but that money has never been paid by the corporation, but was paid by himself.

Q. That was not the question to which I alluded. The question was the general question, which I asked Mr. Hall, about log-rolling.

A. You mean interests put together to be carried through upon agreement?

Q. Yes, sir.

A. I never heard of anything of the sort.

Q. You never did?

A. No, sir; no such arrangement was ever made by me, nor agreed to, nor assented to.

Q. Nor any party, to your knowledge, connected with your company?

A. No, sir; no unholy alliances that I know of.

Q. This three or five hundred dollars paid by General Whitney, is all the money you know of?

A. That is every dollar I know of.

Q. Do you recollect anything that was paid in 1868?

A. No, sir; I don't know of anything.

Q. You had an impression that perhaps you employed Foster and Nichols?

A. I say I may have employed them in 1868, but I have no recollection of it, and although they were employed by me for the company I thought it was not best for the company to have anything to do with them or the lobby at all. That has been my view about it.

Q. Do you mean to have the Committee to understand they were not employed by you for the company, in the company's behalf?

A. I say I did, but I have no recollection, the last year, of employing them at all. The first year I did employ them.

Q. In the company's interest?

A. Yes, sir.

Q. Have you ever stated to any party, Mr. Eldridge, that you paid Mr. Drew a certain sum of money for any other purpose than the one you have testified to here to-night?

A. I have no recollection of stating it. I don't know but what I might have given a detailed account, but I have never spoken of this matter—I have no recollection of having spoken of this matter but to two persons, Henry Pierce and Mr. Bird. I think my conversation with Mr. Bird was coming up from the station; I am not quite sure about it, but I think one morning I had this interview with him, and gave him some view of matters.

Mr. BIRD. I think I ought to state that this question does not point to anything that Mr. Eldridge has ever said to me.

Mr. ELDRIDGE. I don't recollect of ever having mentioned the matter except to those gentlemen.

Q. You have stated to the Committee to-night, that the money you paid Mr. Drew was for personal services?

A. I don't say for personal services. I don't say he ever rendered me any service. He proposed to render a very improper service.

Mr. BIRD. Dis-service.

Mr. ELDRIDGE. Dis-service, if you please to call it so. I never paid Mr. Drew for any service he rendered to me. I don't know what you would call it, exactly.

Mr. CHILD. What we want to get at is, whether you have ever made any statement to anybody that you had paid any money to Drew to influence legislation in any way or shape?

A. Never. I have no recollection of having made any such statement. Certainly, I never did.

Q. (By Mr. CHILD.) If you did was it true?

A. I have no recollection of saying it. I have no wish to say—

Q. (By Mr. NEEDHAM.) Have you any objection to state to the Committee the amount of money you paid to Mr. Drew?

A. Not in the least, if you desire to know it. I am very happy to state the whole transaction with Drew. You may put it in as testimony, or do as you please about that. I have no objection whatever.

Mr. NEEDHAM. The Committee don't demand it, but if you would state it to the Committee, the Committee would hear it; but the Committee don't demand it.

Mr. ELDRIDGE. Do they desire it?

Mr. CHILD. The Committee do not feel they are authorized to investigate, in any degree, Mr. Eldridge's private transactions. Until we have some evidence that any private transaction he has had with Thomas Drew has to do with the matter under consideration, we have no business with it, and don't desire to go into it, but if Mr. Eldridge pleases to state it, the Committee will hear it. The only thing is, as Mr. Eldridge knows as well as the Committee, that considerable has been said, and there has been considerable speculation about this thing, and if Mr. Eldridge chooses to settle the public mind, the Committee would be pleased to have him.

Mr. ELDRIDGE. Mr. Eldridge chooses, as far as he is himself concerned, to put that matter just right, and I will say I have used every exertion which was proper and right to be used, to have Thomas Drew come here and state every fact in regard to any transaction of mine with him. If the Committee wish to hear the transaction, it was simply this.

Q. (By Mr. NEEDHAM.) If you did withhold it, you withheld it out of respect to Drew?

A. I don't know as I have any respect for Mr. Drew.

Q. (By Mr. BIRD.) You don't know as you have withheld it, do you?

A. No, sir, I have told it to my friends, you among the number. I went to you early, and told you. Drew, some time I think in the month of March, 1868, while I was President of the Erie Railroad, and was engaged in all the transactions there, came to me, to my office, and, my impression is, that he claimed something for his services. He says he never did, because he never rendered any service, but that is the impression on my mind that he made some claim that I ought to have employed him, or done something for him, and, by the way, as a mere interlude, I will say here, he had been after our road for a long time, to get us to take some stock in a patent peat machine he had; he wanted to introduce the burning of peat upon our road, which I declined to take any interest in. In March, 1868, I think, I was here temporarily for a day or two from Jersey City,—he came to see me, and said he proposed to publish certain articles against me and the Boston, Hartford and Erie Railroad. which would have a tendency to depress its securities, and he had formed a combination with certain brokers in State Street to break down our stock, They were also to be published in New York, and would influence and affect our secureties there. I told him I thought it was a very improper thing for him to do. I had been a friend of his, not perhaps a personal, intimate friend, but I had given him some commissions in purchasing cattle for me. He was at one time editor of the "Ploughman," and I had given him some commission, and paid him some money for buying some stock for me from some parties up in Worcester County. I thought, situated as I was, trying to build up the Boston, Hartford and Erie, and having all the responsibility of the Erie road to bear, it was a very improper thing for him to talk about. He said he could make $25,000 by going into this combination with these parties. There had

been an effort made by somebody to break down the stock of the Boston, Hartford and Erie before, only a short time before, by telegraphing false sales over to the city of New York, showing that the stock sold for $15.00 a share, when it was held there three or four dollars higher,—a malicious and false telegraphic report of the sales here. I said to Drew I didn't want he should do that. I could not afford to go into it, and I stated to him generally how I was situated in regard to those secureties. I was carrying a large amount of them; I had incurred a large liability in the city of New York, $500,000 or $600,000 on my own personal account for the Boston, Hartford and Erie Railroad, and I related to him those circumstances. He said he could not help that, and that he should publish the articles, and then I dealt with him, and dealt with him the best way I could, and finally I got him down to the sum of about $10,000, if that was the amount, and I gave him out of my own personal funds that sum of money. That is all there is to that transaction. Of course, I had in view my relations to all these properties, and the effect which any scandalous and false reports would have upon me and the property in which I was interested.

Q. It was purely a personal matter?

A. It was purely a personal matter. It never went outside of that.

Q. It never was charged to the road, nor intended to be charged to the road?

A. Never was charged nor intended to be charged.

Q. Never was authorized by the company?

A. Never was authorized by any officer of the company, never was known to any officer of the company.

Q. (By Mr. CHILD.) What time was this?

A. I think it was in March.

Q. Before or after the loan?

A. A year after. It was a year after the loan.

Q. (By Mr. HURD.) Whether there were pending any negotiations by you or your corporation for the sale of the bonds?

A. Yes, sir; in the city of New York we were then negotiating the $5,000,000 loan.

Q. Whether you had any personal interest at stake in the matter?

A. All I was worth, and half a dozen times more, because I was carrying a large amount of those secureties, and everything I had was at stake. The Legislature in New York was in session. The whole question was up there in regard to the legalizing of $10,000,000 of bonds which had been put out by me as president of that road, and I had just been through the Legislature of New Jersey, and had got the legislation there I wanted, and didn't want to be broken down by any false or malicious reports. It would make a great difference to me whether our secureties were selling for $60.00 for the bonds, and the stock for $15.00 or $20.00, or whether it was broken down to a nominal sum.

Q. Could he injure you to any extent?

A. Certainly, this statement would have injured us. These statements that are being made are injuring us now. The idea that Drew will not come here and testify has injured us for the last six weeks, and I have told him it

was a most infamous thing that he should refuse to come here and testify, when he knew there was nothing to conceal, and then he turns round and says, there is a great principle at stake, and he is going to make himself another John Hampden; he has done it by staying in jail twenty-five days, and now he promised to-day to come and make this statement.

Q. Was the matter of the loan at that time before the Governor and Council?

A. No, sir, except in this form. I think that the Commissioners had been appointed, and that Governor Washburn and Judge Bigelow were then examining our various matters; they were making an investigation. We had nothing to conceal from the Commissioners.

Q. This money was not paid to have any influence upon the Governor and Council, or to prevent his stating anything that might influence them?

A. I don't know but all that might have entered into my mind. I thought the influence everywhere would have been temporarily bad. It would not have been lasting, as far as the Governor and Council and Commissioners were concerned, because there was no statement he could make that we were not competent to disprove.

Q. (By Mr. BIRD.) Having known Tom Drew as long as you had, did you think any statement he would make would influence Governor Washburn or Judge Bigelow?

A. I don't think it would, but I don't know how far that entered into my mind at that time.

Q. Whether you thought any statement of Drew would be likely to influence Governor Washburn or Judge Bigelow?

A. I should think not at all. It is not the truth the Boston, Hartford and Erie Railroad have to fear; it is rumor, reports and falsehoods which would sometimes be gotten up by enemies of the road. I have been told over in New York that we had no road here at all. When I went to negotiate the loan, I was told the Boston, Hartford & Erie had no road at all.

Q. How long did this state of things continue in regard to your personal matters, which led you to fear such attacks as he might make?

A. That lasted, I can't tell you how long, but for sometime. I am interested to-day, or until the first of January, I was responsible for every dollar of the New York loan, five hundred and odd thousand dollars, and any effect upon those securities would affect me.

Q. I ask with reference to ascertaining whether it was a permanent state of things which exposed you to the constant levying of black mail in that way?

A. I don't think it is now. I am disposed to try that with any party that may commence it now.

Q. (By Mr. HURD.) If any other person besides Drew, whom you knew as having been previously connected with the press, had come to you in the same way, making such representations, should you have paid him money?

A. I think I should.

Q. Should you now?

A. I don't think I should. I think the Boston, Hartford and Erie and Mr. Eldridge stand strong enough to defend themselves. I don't want false

rumors to go out in regard to this corporation. We have a great enterprise to carry through, and are dependent upon public confidence and credit.

Q. (By Mr. BIRD.) Was the payment of that money dependent upon any fear that you had in regard to any knowledge that Drew had of the affairs of the corporation?

A. He had no knowledge of the affairs of the corporation, except what every gentleman here has access to. I stated to you exactly how that took place before.

Q. Did he intimate that he possessed any knowledge of any facts which he could use to your disadvantage?

A. Yes, sir.

Q. Such as what?

A. It was simply the smallest transaction in the world. The Boston, Hartford and Erie Railroad, in making up its annual report to the Legislature, reported that it had put out six million and some hundred thousand dollars for agencies up to that time. The Boston, Hartford and Erie hadn't had any money except little sums loaned to it by the parties in interest. That came about in this way. The road, or company, had put out its stock and bonds from time to time, for instance, at $20 a share, and its bonds at $60. The difference between what they were put out at, and the par value, must go into some account. Very well. It went in, under the inexperience of the officer who made up the report—went in under the head of agencies. If he had charged the account to profit and loss, it would have been well enough, but take it up and you would suppose we had paid out six million and some hundred thousand dollars to members of the Legislature, or lawyers, or this person or that. That is all there was to it, and that is the only thing that any question could have been made about at all.

Q. (By Mr. NEEDHAM.) That matter was explained to the Legislature last year by the company?

A. Yes, sir.

Q. That was the charge he proposed to make?

A. That was one of them; but his plan was to show we had all these mortgages—these mortgage bonds—which you all understand have all been taken up to about $340,000, and I don't know,—various things of that sort. He proposed to assail the character of the corporation.

Q. (By Mr. BIRD.) You looked upon it as a blackmailing operation, did you?

A. I didn't think there was anything else to it. I could not see any reason why I should pay Drew, except he knew I was interested in these securities, and could not afford to have them go down. The thing is resorted to every day. For instance, take the "New York Herald"; take the different money articles in the press of New York; one side writes up an article, and the other side writes it down, and the bulls and bears are constantly working against each other's interest in that way. Why, I have seen stocks go down five per cent. on a false report that Commodore Vanderbilt was dead; just a false and fictitious report, got up for the purpose of influencing the stock market.

Q. You stated that Drew represented that he had a combination by which he could depress your stocks; did he go on to state what that combination was?

A. No, sir, he didn't tell me what it was.

Q. Did he have more than one interview with you in regard to this matter?

A. I think only one. I think I went to New York that day, or the next day.

Q. You settled it with him at that time?

A. I did, sir.

At this point, the public hearing for the evening closed.

SECOND PUBLIC HEARING.

TUESDAY, May 18.

The Committee met at 7½ o'clock, and the following witnesses appeared and were sworn:—Thomas Drew, James S. Whitney, E. B. Foster, Robert C. Nichols, Samuel W. Bates, J. A. Holmes.

TESTIMONY OF THOMAS DREW.

Q. (By the CHAIRMAN.) Mr. Drew, have you ever been employed by any corporation in this Commonwealth to aid or influence the legislation of the State?

Mr. DREW. May I preface my reply with a respectful note?

The CHAIRMAN. There is no objection.

Mr. DREW. (Reading.) "*To the Joint Special Committee of February* 23, 1869: I am here in obedience to your summons of yesterday, and am glad to perceive that you have reduced the subject-matter of your investigation to something definite and pointed. Also, that the Committee has determined to conduct its inquiries with open doors, and promulgate its doings through the press. If any sacrifice on my part has tended to bring about the change which I now observe in these proceedings I am glad and grateful, and am now willing to testify upon the subject embraced in your summons, not that I acknowledge your right to compel me to do so, but because one item of the testimony taken at your last meeting, which was personal to myself, is not precisely true, and simple justice requires of me that it should be refuted by a statement of the real facts in the case."

That has reference to one statement that Mr. Eldridge made—

The CHAIRMAN. You will answer the question, if you please. The question I asked you was, if you had ever been employed by any corporation within this Commonwealth to aid any legislation in its behalf, or to suppress legislation that might be adverse to its corporate interest?

A. Some six or seven years ago I prepared an argument against the consolidation of the Boston and Worcester and Western Railroads.

Q. You can tell us about it.

A. Well, I simply gathered the facts and arranged them, so that when the case came up in the Senate one of the senators could have them.

Q. The question was, if you were employed by any corporation?

A. Yes, sir. I understood you to say, "You can tell us about it." I misunderstood the question. Yes, sir, I was employed, I don't remember how many years ago, by the Boston and Worcester Railroad, to prepare some facts, and spent considerable time upon it.

Q. How were those facts given to the public?

A. They were prepared in writing, and furnished to a gentleman by the name of Chase, who is now dead, to give to a senator.

Q. Were they ever published?

A. No, sir, it was not necessary. The case never reached the Senate.

Q. Who employed you?

A. The president of the Worcester Railroad at that time.

Q. Who was that?

A. Mr. Twitchell.

Q. What compensation did you receive for it?

A. I think he paid me $300. I spent a good deal of time upon it, and he was very much pleased with the argument and the facts that I had collated. He furnished me the facts from his own library.

Q. At any other time, by any other corporation, or by that corporation, were you ever employed to aid or influence legislation?

A. I was employed once by the Metropolitan Railroad, but I have forgotten what the subject of controversy was.

Q. You don't remember about that?

A. I don't remember what it was.

Q. Who employed you on that occasion?

A. I think it was Mr. Derby.

Q. What compensation did you get for that service?

A. I think he gave me fifty dollars.

Q. At any other time?

A. I don't remember of any other time, sir.

Q. Those are the only instances?

A. Yes, sir. I would state in regard to the argument that I prepared for the Boston and Worcester Railroad, that Mr. Twitchell distinctly informed me at the time that it was paid for out of his own pocket. He knew my facility with the pen and my interest in the road, from having resided in Worcester, and he desired me to gather and collate those facts.

Q. Has any railroad corporation or other corporation in this Commonwealth employed you in any way to prepare articles for the press or otherwise, which in any form, or by any means, might in any way influence members of the Legislature, members of the State government, or the legislation of the State?

A. No, sir.

Q. Has any person, in behalf of any corporation, employed you in any of the ways I have suggested?

A. No, sir.

Q. At no time?

A. Those are the only cases that I remember. I think my memory is pretty good.

Q. Has any person employed you to write anything for any corporation which might in any way or form or manner, directly or indirectly, influence any member of the Legislature, or the Legislature itself, or any member of the State government, either adversely or favorably?

A. When I edited a newspaper, I exercised the usual right that newspapers have. Aside from that, no other. I always claimed that right.

Q. Mr. Drew, has any person ever paid you any money to withhold from the public any facts which might in any way, if given to the public, affect the legislation or prejudice the minds of members of the Legislature of this State?

A. I will say, in regard to that, that I have never received any money, in any way, or from any person, with any reference to legislation whatever.

Q. Mr. Drew, did you read the testimony of Mr. Eldridge, as given before the Committee last Friday?

A. Yes, sir, I read it, as published in the different newspapers.

Q. Do you desire to make any qualification of any statement in that testimony?

A. I understand that Mr. Eldridge himself will make one correction.

Q. I asked you if you desired to do so?

A. I desire to unless he does.

Q. You can make your explanation now, if you desire to.

A. I desire to say that I did not go to Mr. Eldridge of my own accord. By his statement, it appears that I went to him. I did go to him, but Mr. Eldridge sent for me. That makes a very material difference.

Q. He sent for you when?

A. He sent for me on the morning of the day of which he testified.

Q. What day?

A. The day he paid me the money in his office.

Q. What money do you refer to?

A. The money he testified to as having been paid to me. I understood you to refer to Mr. Eldridge's testimony.

Q. How much was it?

A. I don't exactly remember the precise sum. It was not $10,000. I have the impression that it was something more than that, but I cannot tell the exact sum.

Q. You wish to state to the Committee that you did not call on him of your own accord?

A. I called on him at his request. He sent a messenger for me.

Q. What was the request he sent?

A. That I would come immediately to the office of the Boston, Hartford and Erie Railroad, as near as I can remember, as he wished very much to see me.

Q. That was a note?

A. No, sir, he sent a messenger.

Q. And you went?

A. Yes, sir, I went.

Q. Will you tell the interview—the whole of the interview?

A. I cannot tell precisely the words that were used, but Mr. Eldridge and Mr. Farwell were there, and they said they understood I was engaged in a stock operation that would injure them in their business. The first question I think was, they asked me what I was about then. I told them I was engaged in an operation in regard to stocks. I think that was what they asked me. I think I said, "I am going into the same business that you are in, Mr. Eldridge," or something like that. I spoke in a jocose way. And then Mr. Eldridge asked me if he hadn't always been my friend. I said, "Yes, Mr. Eldridge, we have always been the best of friends, but there is not a great deal of friendship in trade, and I have an opportunity to make some money by bearing your stock, and I am going to try to make some money in that

way." Said I, "I don't know much about it; I don't expect to be as successful as you are." That was about all the conversation.

Q. Was that the whole of it?

A. That was the whole of it on my part.

Q. And then what did he say?

A. Mr. Eldridge said that he had seen something that I had prepared with a view to publication, or that he had been informed that I had prepared with a view to publication in New York and Boston, to injure the stock, and he hoped I would not press it. I told him that there were reasons why I should, because I was told by a broker that it was a perfectly legitimate transaction; that that was the way money was made; sometimes by bearing the stock and sometimes by bulling the stock; and I hardly knew then the difference between bears and bulls; I only knew that this operation involved bearing the stock by writing these articles, which would show that the road was not so good as it appeared to be on the face of it.

Q. What did he say to that?

A. He said he was very sorry, and asked me if the thing was in my control, and I told him it was. I told him there were persons interested with me.

Q. Well, what happened then?

A. Then he said he wished I would stop it, because it would injure him; he had a great deal of the stock, and his friends had. I found he seemed to be quite alarmed about it. Then he said a great many of my friends had stock in it. I told him, I didn't wish to injure anybody, but I wished to make some money; I knew some of my warmest friends had stock in the road.

Q. What was the character of those articles that you prepared?

A. Well, that there was a very large capital invested on a very short road, and all the facts that I could get.

Q. Well, such as what?

A. Well, I forget the number of millions of stock there was at that time, and the length of the road, but I was going on to show that it was a kind of patched up concern of different corporations, and that it would not be a profitable investment.

Q. What was the further conversation between you and Mr. Eldridge?

A. I think Mr. Eldridge proposed, if it was so that I could control it, to pay me a sum of money, and I told him it had been represented to me that I could make more than that.

Q. How much did he propose to pay you?

A. I think he proposed to pay me at first a thousand dollars. Then he proposed to pay me more. I told him that the whole matter was entirely in my control; that he need not be uneasy about it; that I would go out and see my associates, and he might see me the next day, or I would see him.

Q. Is that the whole transaction?

A. No, sir. Then he said he would prefer to settle it then, and I told him, if I settled it then, I didn't care so much about money, but I would take some of the bonds of the road. But I told him I wouldn't settle it then, because he and Mr. Farwell were there; it was a kind of transaction I knew very little about, and I would like to go out for one of the gentlemen interested with me. He said he would prefer to settle with me then and there,

but I declined to do so, because I was only one person and they were two, and it was a transaction that I never knew much about; all these stock operations were unfamiliar to me, and I had gone in there unsuspectingly, summoned at his request, and had nothing in my mind when I went in; I had only an indefinite notion, that if I did succeed in bearing the stock, I should make a good deal of money. At last, Mr. Eldridge suggested that we should send for some mutual friend. He did not want any of the ring to come in, and suggested sending for a mutual friend. I suggested the mutual friend, he said it was satisfactory, and the mutual friend was sent for. Then the matter was talked over, and it was finally agreed how many bonds I should have—Mr. Eldridge's bonds.

Q. You mean, bonds of the B., H. & E. R. R.?

A. B., H. & E. R. R. bonds. I said, "You have a big book," (I spoke in a jocose way) "and whenever you want any money, you peddle out those bonds; I would like a few of those." But when it was decided how many bonds I should have, he said, "We don't want you to sell the bonds, and we will give you the money for them," either that day or the next, I don't remember which. That was the whole of the interview.

Q. How many bonds were there?

A. I don't know how many there were, sir. I don't remember. I probably knew at the time.

Q. Who was the mutual friend you called in?

A. We called in Mr. R. K. Potter.

Q. Was this money divided with any other party, or did it all go to you?

A. It was divided with other parties.

Q. Who was it divided with?

A. I had a portion of it; I paid Mr. Potter something that I owed him out of it, and I gave some portion of it to a gentleman by the name of Gibbs.

Q. (By Mr. BIRD.) Did Mr. Potter have anything more than what you owed him? You seemed to adopt a different phraseology in regard to Mr. Potter from what you used in regard to Mr. Gibbs.

A. I think I gave Mr. Potter something.

Q. (By the CHAIRMAN.) Besides what you owed him?

A. Yes, sir.

Q. How much?

A. I don't remember, sir.

Q. About how much?

A. I can't tell you.

Q. About how much did you have?

A. I don't know that it is proper for me to answer that.

Q. How did you expect to make any money by bulling or bearing the stock, as you call it?

A. Well, I was told—for instance, if the stock is $20 to-day, and you sell short, agree to deliver at $19, a fortnight hence, you make a dollar on a share, or two dollars, a share, according as you can depress the stock. That is the way I understand it.

Q. Who were the parties in the ring you spoke of?

A. That is a matter I should decline to go into. It is a private matter entirely, and has no connection with this inquiry.

Q. I suppose it has as much connection with it as any part of the transaction. You regard all this matter as a private matter, don't you?

A. Well, everything that relates to myself and the gentlemen I have spoken of, I am at liberty to narrate here.

Q. Were there other parties?

A. Yes, sir.

Q. How many of them?

A. There was one person, who was to arrange the whole proceedings with the brokers in Boston and in New York, and that matter was to be manipulated by him.

Q. Then you had spent some considerable time in getting this thing up?

A. Yes, sir.

Q. You said you did not know much about it?

A. No, sir; I spent some considerable time in getting the facts up.

Q. You had an absolute ring formed?

A. Well, sir, the broker said whenever I was ready, if I would let him know I was ready to give out the facts, he would arrange it so that I need not put in any money, but by writing the articles and putting them into the newspapers, we should make money by bearing that stock.

Q. Was any other party besides the broker in the ring?

A. No, sir. He was to ring in his own brokers and New York correspondents, and everything of that kind.

Q. You spoke of a payment to Mr. Potter. You liquidated your entire obligation to Mr. Potter at that time?

A. Yes, sir.

Q. And you think you gave him something besides?

A. Yes, sir, I did.

Q. What was that something for?

A. He had often befriended me; loaned me money.

Q. A mere gratuity?

A. Yes, sir, a mere gratuity.

Q. (By Mr. BIRD.) He had nothing to do with forming this ring?

A. I think he knew nothing about it until Mr. Eldridge sent for him.

Q. (By the CHAIRMAN.) When was this transaction, Mr. Drew?

A. My impression is that it was in the month of January.

Q. 1868?

A. 1868. January, 1868.

Q. Last year?

A. Yes, sir. Mr. Eldridge's testimony was at fault, in that he stated it was March.

Q. (By Mr. BIRD.) I understood you to say distinctly that this had nothing to do with any matter before the Legislature last winter?

A. It had nothing to do with any matter before the Legislature. I never dreamed of coming to the Legislature. I never spoke to any member of the Legislature about the Boston, Hartford and Erie Railroad, except yourself, Mr. Bird, and you are at liberty to state what I said to you.

Q. It had nothing to do with the Governor and Council?

A. No, sir, nothing at all. The only member of the Legislature to whom I mentioned the Boston, Hartford and Erie Railroad was yourself, and you are at perfect liberty to state what I said.

Mr. BIRD. I was not a member of the Legislature last year.

Mr. DREW. Well, I spoke to you in the State House about the road, in connection with some matter in relation to the harbor and flats.

Q. (By the CHAIRMAN.) Were not the efforts to write down the stock with a view to influence the State Government or the Legislature?

A. No, sir. We wished to keep the thing private until we could get the brokers to sell short a large amount of stock. We intended to keep the whole thing private.

Q. As far as you were concerned, you did not care whether it went up or down?

A. No, sir. I understood that was the way Mr. Eldridge and other men operated, and I acted on that supposition. I would say, furthermore, that I don't think I visited the State House but twice during that whole winter. From the 21st of February to the 21st of March, I was in North Carolina, and long before the Legislature adjourned, I was in Chicago, upon my regular business, and remained there for some months.

Q. (By Mr. LADD.) What was the stock worth at that time?

A. I don't remember.

Q. You don't recollect when this transaction took place exactly?

A. Yes, sir, I do; I say it was the last of January, but I can't fix the day. It was somewhere from the 25th to the 28th. I don't know what subject was before the Legislature at that time.

Q. The Legislature was in session?

A. Yes, sir, of course it was in session, because it was in January. I have not the slightest recollection as to what was before the Legislature. I am quite certain I had nothing to do with anything before the Legislature.

Q. Was the Boston, Hartford and Erie Railroad before the Legislature at that time for anything?

A. I don't know.

Q. Did you know at the time?

A. I don't know that I did. I would have refreshed my memory by looking over the files, but I have had illness in my family ever since I came out of confinement, and have had no opportunity to find out what was before the Legislature; but I am certain I had no interest in any matter before the Legislature.

Q. Was any matter in relation to the Boston, Hartford and Erie Railroad before the Governor and Council at that time?

A. I don't know, sir. I am certain that if there was, I never gave the subject the least thought whatever.

Q. Were these friends connected with you members of the Legislature?

A. No, sir.

Q. Were they members of the State Government?

A. No, sir.

Q. Were they connected with the lobby in any way?

A. No, sir.

Q. You don't know whether the matter of the loan was before the Governor and Council at that time or not?

A. No, sir, I do not. I have not the slightest idea. I would tell you if I knew, but I don't.

Q. (By Mr. NELSON.) You say your idea was to depress the stock?

A. Yes, sir, depress the stock and bonds, and everything that belonged to it.

Q. You have no recollection as to what the stock was selling for in the market at that time?

A. No, sir, I have not.

Q. Or the bonds?

A. No, sir; only I think they were very much higher than they had been; that they had come up from a very small amount to be of considerable value.

Q. Had the market been rising?

A. I think it had. I know the market for the stock had been rising; I didn't know so much about the bonds.

Q. (By the CHAIRMAN.) You don't even remember how many bonds were to be given you?

A. No, sir.

Q. You never took them into your hands?

A. No, sir. They said if I took them into my hands, thinking so lightly of them, I might sell them for so much less than the market value as to depress the price.

Q. You did not demand any specific sum?

A. I told them so many bonds.

Q. How many?

A. I don't remember, but my calculation was to have bonds that would come to about ten thousand dollars. Mr. Eldridge seemed very desirous that I should settle before I left the room.

Q. How long were you there in all?

A. I think I was there an hour; perhaps an hour and a half; and I don't know but what I might have—no, I didn't go out and come in again.

Q. How long was it, at that time, since you had seen Mr. Eldridge?

A. Well, sir, I had seen him twice during that winter and fall. Once I met him in the street, and he asked me to come in and see him. That was in the winter. And another time, I was told he wanted to see me.

Q. That was when you did go and see him?

A. No, sir, previous to that transaction.

Q. You did not go to see him?

A. Yes, sir, I went the next day. He met me in the street, and asked me to come in the next day, he wanted to see me. I think that was in the month of December; I am not positive. At any rate it was in cold weather. Along in the fall I met him, or I was told that Mr. Eldridge wanted to see me.

Q. Was this matter talked about then?

A. No, sir.

Q. Not at all?

A. Not at all.

Q. Not alluded to?

A. Not alluded to. At both interviews he asked me what Alderney stock I had, and spoke of the Alderney Club in Newton. Nothing was said about this matter.

Q. Then the matter of the attack upon the Boston, Hartford and Erie Railroad was never talked of except at this interview which you have described?

A. No, sir.

Q. And this was an interview of an hour and a half?

A. Yes, sir. To the best of my knowledge and belief, I had no other conversation with him about it. I did not expect to see him, and should not have gone to see him if I had not been sent for.

Q. And all the representations you made to him about bulling and bearing you have stated?

A. Yes, sir; I have stated the whole of it, to the best of my knowledge.

Q. There was nothing said by either of you in regard to influencing legislation?

A. No, sir, not by either of us. The matter of legislation was not alluded to at all.

Q. And you did not represent to him that you had any more means or capacity of bulling or bearing the stock than you have stated to the Committee?

A. I don't think I did.

Q. And upon those representations he was exceedingly anxious to settle with you, and did settle with you, and gave you about $10,000?

A. Yes, sir. I have the impression that he had seen one of the documents I had prepared, but I never sent it to him.

Q. Was it in manuscript?

A. It was in proof. There were two or three proofs taken, and shown round.

Q. What were they to be published in?

A. They were to be published in the money articles of different newspapers, and paid for, if they could be got in.

Q. Who was to pay for them?

A. The brokers said they would take care of that. I was to do the writing.

Q. (By Mr. NELSON.) Have you any objection to stating who "they" were?

A. I don't know myself. We did not get the thing arranged. Mr. Eldridge himself said, that if the thing was where it could stop where it was, and not have the stock depressed, he would like to pay to stop it.

Q. Have you any objection to stating what other parties were interested in this matter?

A. I have, because I have not consulted them about it, and I don't think it would be proper. All the other parties I have mentioned have no objection.

Q. What parties?

A. I have said that Mr. Potter was sent for, and that Mr. Gibbs was interested with me. I mentioned Mr. Potter as having been sent for at my suggestion.

Q. There were Mr. Potter, Mr. Gibbs, yourself, a broker, and other parties?

A. The broker part of it we did not get ready. The type was standing; the plans were not matured; but it was distinctly understood that whenever we were all ready, the broker should know it, and he and his friends should come in and sell short, and make money.

Q. Were they business men with whom you were connected?

A. Yes, sir.

Q. Men connected with the stock market?

A. Men connected with the stock market.

Q. All of them?

A. I tell you I only knew one, who was to ring in men with abundant means and credit to go in for a pretty large operation.

Q. Were those men who were connected with you, besides those you have mentioned, all of them connected with the stock market?

A. I have alluded to only one other gentleman.

Q. Whoever they might have been?

A. Yes, sir.

Q. Were they connected with the stock market?

A. Yes, sir.

Q. Business men?

A. Yes, sir.

Q. Business men of Boston?

A. Yes, sir. I was surprised myself, I must confess, that Mr. Eldridge was so desirous not to have the stock depressed, or that he should think it could be depressed so readily.

Q. (By Mr. LADD.) Can you state what the nature of the attack was? What were you to do?

A. We were to show the public that it was not likely to be a good investment.

Q. Well, how?

A. That there was so short a road, with so much capital, so many mortgages, &c., &c.

Q. How long a road was it then?

A. I can't remember now.

Q. You committed all this to writing?

A. Yes, sir, and destroyed every vestige of it. I told Mr. Eldridge I should act in perfect good faith, and arrange with the brokers; that I would only just tell them I had changed my mind and settle with them.

Q. Was anything said about false representations made by the company in its statements to the State Government?

A. I don't think there was, in the document I had prepared. I can't say as to that. I destroyed it, and destroyed the proofs; went to the printer and took the manuscript away.

Q. Nothing was said about the manner in which they had obtained the loan from the State?

A. I don't know that any loan had been made by the State at that time, sir.

Q. In January, 1868?

Mr. BIRD. I think the witness has stated that this transaction had no reference whatever to anything before the Legislature.

Mr. LADD. I was trying to find out, if I could, exactly what this gentleman was going to do. He said he was going to make an attack on this Company, and I want to find out what that attack was.

Mr. BIRD. I suppose he was going to do everything he could to bear the stock.

Mr. DREW. I was going to do everything that a man who knows how to drive the quill can properly do, and not lie, to make people think it was not a proper investment for money.

Q. (By Mr. LADD.) But you can't tell what you were going to do?

A. No, sir. A few days afterwards, I went to North Carolina with my family, and remained there three months. I am willing to tell you all I know, but I don't think you have a right to ask all these questions.

Q. (By Mr. NELSON.) Was this stock on the Brokers' Board?

A. Yes, sir, on the Board here and in New York both.

Q. Did your article have a tendency to show that the road was very largely in debt?

A. Yes, sir, and heavily mortgaged.

Q. Did it have a tendency to show the amount of bonds that had been issued?

A. I don't think it did. I don't think I knew. I can't tell as to that. I don't remember. I banished the whole thing from my mind. I said, "The thing is all settled," and destroyed the proofs and everything. I did not even preserve, for my own information, any copy of it. I acted in perfect good faith.

Q. (By Mr. LADD.) You don't recollect the amount of money you received?

A. No, sir, I don't; but it was somewhere in the neighborhood of $10,000.

Q. You think it was more?

A. I think the number of bonds would come to a little more.

Q. Did you receive your pay in money?

A. In money.

Q. In cash, or a check?

A. In cash.

Q. Not a check?

A. Not a check.

Q. (By Mr. NELSON.) How much did you retain for your own portion?

A. I don't think that is a proper question.

Mr. NELSON. You need not answer unless you please.

Mr. DREW. I retained what I thought was my portion.

Q. (By Mr. HURD.) Were those articles all to be published at once, or was there to be a series?

A. It was understood there was a series of them. We didn't want to knock the bottom all out at once. It would have been my way to have knocked the bottom all out at once, but the broker said we had better do it kind of gently.

Q. Then your engagement was to furnish several articles on succeeding days?

A. Yes, sir, we were to keep right along. They had been writing the stock up, and we were just going to write it down. That is the way it was.

Q. (By the CHAIRMAN.) Those articles were to appear simultaneously in New York and Boston?

A. There was no arrangement about that. I considered it perfectly legitimate and proper. I understood that was the way those things were managed, and though I was rather green at the time, I thought I would go in.

Q. And you thought you were pretty successful at that time?

A. Yes, sir; but I was told I had made a great fool of myself; that I would have made four times as much if I had come out and consulted.

Q. (By Mr. LADD.) Did you tell Mr. Eldridge, when you first went to see him, that you had a scheme to make $25,000?

A. Yes, sir; $25,000 was the lowest sum I was informed would be made if we bore on this stock so as to make a kind of break.

Q. And in consideration of this money, were you to hold your tongue, or write up the stock instead of writing it down?

A. No, sir, I was just to destroy the documents, fix it with my friends, keep them all still and quiet, and let the thing take its course, as far as I and my friends were concerned.

The CHAIRMAN [to Mr. ELDRIDGE]. You have heard Mr. Drew's statement. Do you wish to make any qualification?

Mr. ELDRIDGE. I don't know but Mr. Drew may be right about my sending for him. I suppose that is correct. When I said he came to see me, I didn't remember that I sent for him. I did send for him, and I sent for him in consequence of having information of what he proposed to do, which was to write those money articles to depress the value of the securities of this road, which we were trying to sustain. In regard to the amount of money paid to Mr. Drew, I find, upon referring to my memorandum, that it was a larger sum—a little over $11,000. I would inform the Committee, that on looking over my papers, I find I made a mistake as to the time and as to the exact amount. The exact amount was $11,250, and the date was the 28th of January, 1868. I would say, that so far as I am concerned, I believe there has never been any writing up of the stock except in one way,—by building the road, and putting all these securities into one mortgage of twenty millions, for the purpose of completing the road, which we succeeded in doing, reducing the whole amount so that there are now out only $350,000 or $340,000 of the nine mortgages which were upon the road when I went into it. I believe that is all I wish to state.

Q. (By the CHAIRMAN.) I think you stated that you gave Mr. Drew a check. Do you remember about that?

A. I did give a check, but whether Mr. Drew had it or not, I can't say. The party who was with him may have had the check; I can't say about that.

I would like to make one remark to this Committee, and that is to exonerate Mr. Potter from any imputation. He came to me, I think, at my request. At any rate, he knew something about this transaction, and I sent for him. He came to my office, and before any money was paid to Mr. Drew, Mr. Potter told me all about his relations with Mr. Drew; that Mr. Drew owed him money, and gave me to understand all about it; so that there was no combination between Mr. Potter and Mr. Drew in regard to this matter.

Mr. BIRD. I understood Mr. Drew to state so, distinctly.

Mr. ELDRIDGE. I state so because I knew about it, so far as Mr. Potter is concerned. He told me Mr. Drew owed him money, and he would get his pay out of that money. That I knew at the time, so that Mr. Potter had nothing to do with anything that took place at that time, in my judgment.

TESTIMONY OF JAMES S. WHITNEY.

Q. (By the CHAIRMAN.) You are a Director in the Boston, Hartford and Erie Railroad?

A. Yes, sir.

Q. How long have you been so?

A. About two years. I went in about the time that Mr. Eldridge did—I think the same time. Two years ago last September I was elected.

Q. You were in the Board at the time of the application for the State loan?

A. Yes, sir.

Q. And at the time it was granted?

A. Yes, sir; and am in now.

Q. Do you know of any money having been paid by your corporation, or by any person connected with your corporation, whether on their own account as individuals, or as members of the corporation, for the purpose of influencing any legislation which was had upon your road?

A. I know of no money having been paid that was paid to reach any legislator, or any individual connected with the executive department of the government. If you mean the payment of money to influence legislation by the obtainment of charters, collecting and diffusing information to enlighten the public, writing for the newspapers, and doing what you and every man does who wants a charter for a railroad, to wit, call public meetings to discuss the question and wake up public sentiment to the facts, I do know of money having been spent for that purpose; but I know of no money having been paid to influence any legislator on his vote or any member of the executive department. There is no man connected with our Board, so far as I know, who would be guilty of any such use of money, and I am surprised that any member of the Legislature should suppose so. I know of no such expenditure, but I do know of the expenditure of money. I was myself a public speaker for the Connecticut River Railroad, when it was chartered, and I spent money, and others spent money, and it was to remotely influence legislation, and there is no other way to obtain legislation. There was never a railroad chartered that did not obtain its charter in that way; and I never knew a railroad chartered, (and there never will be one chartered,) that did not spend money to obtain a charter. I know of no other expenditure of money, sir, by any railroad company.

The CHAIRMAN. It is not to be presumed that any member of the Legislature supposes that any member of your corporation has paid money for that purpose.

Gen. WHITNEY. No, sir; there never has been any paid, to my knowledge. This transaction with Mr. Drew I never knew anything about until I saw it in the public prints. I think there has been money paid by somebody, chiefly by individuals, to call the attention of the Commonwealth to the great necessities for a railroad touching the Hudson River at a point south of Albany. Somebody has had to expend money, and the Legislature of Massachusetts ought to thank the men for that expenditure.

Q. When you speak of money paid to "enlighten" members of the Legislature, what do you mean?

A. I mean, sir, that a member who comes here from Cape Cod or Nantucket, knows nothing about a railroad in the north-west corner of Berkshire County. A corporation that comes here for aid must employ somebody. The cheapest parties to employ are business men, not lawyers; and therefore, as a member of the B., H. and E. Board, I should advise the employment of good business men to collect and collate the facts, put them in shape, and present them to members of the Legislature. I should not suppose it was corrupting anybody to do it, and I should always advocate that; I advocate it now, and I advocate it before you.

Q. Your labor of enlightening commenced when?

A. The labor of enlightening commenced, with me, when I went into the railroad. I felt it my duty to enlighten the public mind all I could on the subject.

Q. What year was that?

A. That was in 1867.

Q. What parties did you employ to enlighten members of the Legislature?

A. I cannot name them all. I don't know as I ever employed any party directly. I communicated with certain parties as to certain facts.

Q. What parties were employed, so far as you know, by the corporation?

A. I have not the direct knowledge that the corporation, as a corporation, have employed anybody. I don't think they have.

Q. Directly or indirectly?

A. I have suggested the employment of one or two attorneys, who were retained as attorneys. The fee was very small. I think the largest amount of money that has ever passed through my hands to any attorney has been $100. We employed one or two attorneys to enlighten the public mind in their section in relation to this railroad, and gather facts. I supposed, hoped, to be sure, that through them we might reach the member from that section of the Commonwealth, and very properly.

Q. Were these all the parties you employed—these one or two attorneys?

A. Yes, sir, all I have employed. I believe I have known of the employment of one or two men to collect statistics. We had to collect the statistics of the business all along the line of this road. We employed business men to do it, and I communicated with them more or less. Mr. Eldridge, to be sure, took the laboring oar, and did most of the work.

Q. That was to get the facts to present to the Committee and the Legislature?

A. Yes, sir, to get facts to present to the Committee and the public, in relation to the demands of business on this railroad.

Q. No other parties employed?

A. No, sir.

Q. Directly or indirectly?

A. We never have had any corruption fund that I know of.

Q. I did not allude to any corruption fund.

A. No; but I suppose you want to elicit this fact from me, whether I know of the expenditure of any money to affect any legislator or any man connected with the executive government of Massachusetts.

The CHAIRMAN. Not entirely that, sir.

Gen. WHITNEY. What then?

The CHAIRMAN. The object of this Committee, and the pleasure of this Committee, is as much to vindicate the integrity of the Boston, Hartford and Erie Railroad, as to show any corruption on the part of any person; and it will be a satisfaction to every member of this Committee to vindicate the Boston, Hartford and Erie Railroad from any charges which may have been brought against it.

Gen. WHITNEY. No doubt of it, sir. I answer in general terms, I know of the expenditure of no money by the Boston, Hartford and Erie Railroad, or any other railroad, that has been used to corrupt, bribe, or improperly influence any member of the Legislature—whatever you mean by influence.

Q. (By the CHAIRMAN.) That was not the question I put to you, Gen. Whitney. The question I put to you was, whether those were all the parties to whom the Boston, Hartford and Erie Railroad, either directly or indirectly, in its corporate or individual capacity, had paid for "enlightening," as you use the word yourself, members of the Legislature?

A. I presume there are other parties, but I am not on the executive committee, and I don't know who are employed. So far as my agency is concerned, it has grown out of the fact of my acquaintance in western Massachusetts and knowledge as to who would be good men to interest in our railroad in western Massachusetts. I have suggested men to Mr. Eldridge, and he has very kindly taken my suggestion, but I don't know as we have brought many of them here. We desired to inform the Commonwealth about the importance of this railroad.

Q. Did you bring any of them here?

A. No, sir, I don't know that any of them came here, except an attorney. I believe one attorney came here, on my suggestion, as an attorney for the road.

Q. Who was that?

A. That was Mr. Field, of Stockbridge, now dead. He was employed at my suggestion by the corporation, and was retained. He was connected with a railroad in Berkshire, touching our road somewhere west of Waterbury. I suggested him as a very good railroad man and a good lawyer, and perhaps he had better be retained. I think he is the only man that I recollect having come here.

Q. You know of no other party, during your two or three years' connection with the road, who has been employed in or about the State House to influence legislation, or to enlighten the members?

A. There have been attorneys employed here. I believe Mr. Gillette, of Westfield, had a retainer as a lawyer from this road. You are aware that railroads have land damages and all those questions to settle all over the Commonwealth, and they employ lawyers more or less—are obliged to.

Q. But no other parties?

A. Yes, sir, employ other parties. Employ business men, employ editors, sometimes. I am not aware that we have, in the Boston, Hartford and Erie Railroad. They may have done it; I hope they have.

Q. Do you know of any money having been paid to any person in or about the State House, except members of the legal profession, to influence legislation, or, as you put it, to "enlighten" members of the Legislature?

A. Well, sir, I don't think that I do, directly to influence legislation, but I know of some small amounts of money paid to one or two men in our employ, and of course we expected they would not be adverse to us in any legislation before the State; if they had been, we should have discharged them from our employment.

Q. Who were those persons to whom you refer?

A. I don't know as I can name them. There are one or two parties. I think Mr. Edward Hamilton was employed to collect statistics and write some articles, and sent out on the road. I think he was paid a little money; not to exceed in the whole amount $200.

Q. "In or about the State House" was my question.

A. No, sir, not exclusively. I presume these parties came up to the State House during the winter.

Q. (By Mr. LADD.) What winter?

A. The winter of 1867.

Q. The time the loan was granted?

A. Yes, sir. The year of the loan we had these statistics prepared, and we had to get the general information before the public.

Q. (By the CHAIRMAN.) Who besides Mr. Hamilton? You say "parties."

A. I don't recollect. I don't know as I can name them all.

Q. Well, those you think of?

A. Nobody else occurs to me that I employed. I suppose some other gentlemen were in our employ, but I don't know about it.

Q. If there have been other parties, who would have employed them?

A. The executive committee.

Q. Who are the executive committee?

A. Mr. Eldridge, Mr. Farwell, and Mr. Mark Healy are the executive committee, and it is their duty, primarily, to direct the affairs of the corporation.

Q. You never employed yourself any person about the State House?

A. No, sir, I think not; not about the State House. I have been employed in overlooking some statistics.

Q. You never employed what is popularly denominated a lobby member; a man to stand round and talk with the members, and enlighten the members?

A. No, sir. I have made a sort of lobby member of myself once or twice. I felt it my duty to the corporation and to the Commonwealth to prevent bad legislation and promote good. I have been up here several times.

Q. But you never employed anybody as a lobby member?

A. No, sir, not that I recollect of.

Q. And you do not know any lobby member that has ever been employed by the executive committee?

A. No, sir, I don't know that they have been employed by the executive committee, but I suppose they had some men in their interest generally. They might have been at the State House more or less, because we are obliged to watch the legislation here sometimes, in order to prevent bad legislation. I to-day had occasion—the Water Power Company—

The CHAIRMAN. That is rather foreign to the inquiry.

Gen. WHITNEY. It is in explanation of the question you put to me. When you put a general question, I want to explain my answer.

Q. Then you desire the Committee to understand that so far as you yourself are concerned, you have never employed any lobby member in or about the State House?

A. Well, sir, if you will tell me what you mean by "lobby member," I can answer the question so you can understand it.

Q. I said "in the popular signification of it." I supposed you would understand that.

A. "In the popular signification of it." I don't know what the populace think a lobby member is.

Q. It is a man to stand round and talk to members?

A. No, sir, I never employed any man for any such purpose. That is what I never employ a man to do. I always employ him to work.

Q. Do you know Mr. Foster?

A. The man they call "Deacon Foster?" Yes, sir, I know one Foster.

Q. Has he ever been employed by you or your corporation, or by any party representing your corporation, in any shape or manner?

A. No, sir. I never knew him until this winter. I was introduced to him this winter. That is the first time I ever knew him. I had seen his face about, but I have never employed him.

Q. Mr. Nichols?

A. Nor Mr. Nichols.

Q. Mr. Porter?

A. Nor Mr. Porter.

Q. Or anybody but those you have named?

A. No, sir. I have employed men who have collected facts, and paid them a very little money. All I have ever paid would not exceed $1,100. What I have paid wouldn't corrupt anybody.

The CHAIRMAN. This Committee do not presume that anybody has corrupted a member of the Legislature. I think you misunderstand the object

of the Committee. We do not presume that anybody has been successful in corrupting any member of this or any former Legislature.

Gen. WHITNEY. I feel the highest respect for the Committee, and perhaps I ought to apologize; but I confess I felt a little delicate that it should have been supposed that I had been connected, in any improper manner, with any legislation. I know you personally, and other members of the Committee, and I say to you, gentlemen, I have never used any money to corrupt any legislator. I don't know that I have dined any member of the Legislature, but I ought to have taken them all to dinner, because they have been, or some of them, good friends of our road. But I have studiously avoided anything that looked like improper influences upon members of the Legislature in reference to our road. But I wish to state what I state truthfully to the Committee, and I cannot say that men have not been to the State House and used an influence, who have been employed by my advice in other matters. But the gentlemen you referred to have never been employed by me, and I don't know that they have been employed by the road; I don't think they have. But it has been said they have been connected with this road, and if they have, I suppose somebody paid them for it. I know it is very necessary in such matters that somebody attend to them. Oftentimes, a bill is defeated because members know nothing about it. In the multitude of things passed upon in a day, it is necessary for some outsider to call the attention of members to a bill, or else they won't vote on it, one-half of them.

Q. Were Mr. Field and Mr. Gillette before the Committee?

A. I think not. I don't know that Mr. Field came up to the State House at all. He was in poor health when he came down.

Q. Was Mr. Gillette before the Committee?

A. I think not.

Q. What particular service did he render?

A. He was retained for any adverse case against us.

Q. What particular service did he render?

A. I don't know, I don't know that he rendered any particular service.

Q. Was he here at the State House?

A. I don't know that. I advised the retaining of Mr. Gillette. He was an old acquaintance of mine, formerly lived in Springfield, very much of a gentleman, and I thought his good will for our road, as we were passing through that part, was worth a hundred dollars. I believe that was the amount paid him. I don't recollect. I have not access to the Treasurer's books particularly, and don't know anything about it. I think he was retained at an expense of $100.

Q. (By Mr. LADD.) Did you pay it yourself, out of your own pocket?

A. No, sir, I think not.

Q. (By the CHAIRMAN.) How near does your road run up to Springfield?

A. It crosses at Hartford, twenty-six miles below; but west of that, we run along a line parallel to a road that has been talked of from Springfield northwest. There might be an adverse interest there between the two. Of course, we want a friend there to communicate with.

Q. (By Mr. LADD.) This was in 1867 that Mr. Gillette was retained?

A. Yes, sir, I think 1867.

Q. Were you at that time about the State House?

A. I was here occasionally, when our bill was up.

Q. Mr. Gillette and Mr. Field were both here at that session?

A. I don't think Mr. Field was. He was quite ill when he came down here. I don't know that he came to the State House. I don't think he did, but he might have done so. I didn't see either of them up here, that I recollect.

Q. You say those gentlemen were not before committees of the Legislature?

A. No, sir.

Q. What were they doing here?

A. They had a general retainer for the road. I don't know what they were doing.

Q. To talk among members in favor of your road? Your object was then to secure the loan?

A. I believe our loan bill was up.

Q. In 1867?

A. Yes, sir.

Q. What particular business were they to transact for you before the Legislature?

A. Principally to prevent their being retained by the Boston & Albany Railroad to come down here and use an influence adverse to us. That was the principal motive I had in advising that they be retained.

Q. What were they to do here?

A. No special duty was assigned them, that I know of. They were retained, and paid a small retainer, because it is the custom of the large railroads to retain the bar very generally, and a weak road must have a few gentlemen of the legal profession retained, or else they will be swamped by the strong roads.

Q. Do you know what either of those gentlemen did do that session?

A. No, sir, I don't. I don't think Mr. Field came up to the State House at all.

Q. He was here in Boston, was he?

A. He came down to Boston once, I think.

Q. Mr. Gillette was here?

A. He was here on other matters.

Q. He was here some time?

A. He was here for the Canal Road, I believe; as attorney for that road.

Q. Was or was not a part of his duty, as you expected it of him, at any rate, to assist in organizing what is called the lobby here, or log-rolling—hitching Hoosac Tunnels, consolidations, Erie Railroad lines, and everything of the kind together, for the purpose of carrying measures through the Legislature? Was that any part of his business?

A. It was no part of the business that I employed him for. I don't know what he was employed for by other people.

Q. Do you know he did anything of that kind?

A. No, sir; I don't think he would do anything improper. He is too high-toned a man for that.

Q. Do you or do you not know of either of these gentlemen having anything to do with obtaining support for the B., H. & E. Railroad in consideration of some support that they would furnish on some other measure?

A. No, sir, only the general fact, that all bills before the Legislature, as you know (you do not need to ask me that question)—the friends of the Canal Railroad vote generally for and are friendly to the Cape Cod Railroad down here, and the Cape-Codders, when they come to vote, feel a little charitable, and they are more likely to vote for that, if that is your "log-rolling." But as to any bargains ever having been made, I never knew of any.

Q. Is not that what is expected of persons who are employed about the State House? I don't mean before committees, but who are about the State House, and are paid for their services?

A. I was not aware of that. I was not aware that they went so far as to make bargains.

Q. Then you do not know that either of these gentlemen, Mr. Field or Mr. Gillette, went to Senators or Representatives and said to them, "Here, you go for that measure, and I will secure some assistance for your measures"?

A. No, sir, I don't know that they said that, either of them.

Q. You don't know that there was any transaction of that kind?

A. No, sir. I was here myself to oppose certain measures, but I believe I did not make any bargain about anything in return. I expected some return from a gentleman, if I favored him.

Q. How has it been this year? Has there been any log-rolling of that kind this year, to your knowledge?

A. I don't know anything about the lobby. They have not communicated with me this year.

Q. Have you been in the State House at all this year?

A. I was up here two days, when the consolidation of the Springfield road was up.

Q. In which you felt a special interest?

A. I came up, believing that it was adverse legislation to the interest of the Commonwealth, and opposed it as an individual. I received no pay for it, but I came up here and expressed my opinion as a citizen of the Commonwealth, and as having an interest in every railroad of the Commonwealth.

Q. Did the Boston, Hartford and Erie Railroad and the Erie Railroad feel a particular interest in defeating that consolidation?

A. No, sir. I understood I was the only member of our board but that was willing it should go on; but I thought it would be a very bad measure for the Commonwealth, and I do now, and I feel bound to oppose it.

Q. Did you feel it was particularly bad for your road?

A. Yes, sir, I felt it would be bad for our road to have that road consolidated to Springfield, because we want as good a chance, when we touch a point, as any other railroad, and any railroad will transport its passengers and freight the longest distance it can over its own road.

Q. Did you have any conversation with members of the Legislature who

are on the line of the Boston, Hartford and Erie Railroad with regard to this consolidation?

A. I think I did, and with men who are on your road. I had some conversation with some of the Springfield gentlemen. Mr. Haynes, I think, was one of the men to whom I spoke.

Q. Did you make any suggestion to those people on the line of the Boston, Harford and Erie Railroad that it was best to kill that consolidation?

A. Certainly. I suggested to every man I saw that I thought it ought to be killed, and I make the same suggestion now, in public.

Q. So far as you understand, did the friends of the Boston, Hartford and Erie Railroad vote against that measure?

A. I don't know. I never examined the vote with reference to that fact.

Q. You were looking after that matter?

A. I came up here twice, I think, only.

Q. You opposed it as a citizen of Massachusetts?

A. And as a matter of judgment.

Q. And in the interest of the Boston, Hartford and Erie Railroad?

A. Yes. Not specially in the interest of the road, because I differ from every other member of the board.

Q. But you think it would injure your road?

A. Yes, sir, I think it would injure our road.

Q. (By the CHAIRMAN.) But you were the only member of the board who opposed it?

A. Yes, sir. I think Mr. Farwell and Mr. Eldridge (I don't know what they may think now) felt very indifferent to that measure.

Q. (By Mr. CHILD.) Were any of the other directors here with you?

A. No, sir, I came here alone, on my own responsibility, and paid my own bills.

Q. Is Mr. Gillette employed this year?

A. I believe not. I am not aware of it.

Mr. ELDRIDGE. I would like to state to the Committee, that no action was ever taken on the part of the Boston, Hartford and Erie Railroad in regard to the consolidation. For my own part, I am in favor of the consolidation of that line, as well as of the Northern line. I think the consolidation of all these lines would be valuable, and I think it is in the power of the Legislature to control them. For instance, if the consolidation between Springfield and New York had been made, I don't believe it would have worked any injury to the Boston, Hartford and Erie Railroad, because, by legislation in Connecticut, or by any legislation that could have been obtained in Massachusetts, they could not have deprived us of a single right or privilege. Therefore, I did not want anything said here that would reflect any discredit upon the Boston, Hartford and Erie Railroad.

Gen. WHITNEY. I wish to state to the Committee that I differ entirely from Mr. Eldridge. I believe it is the most adverse thing to the Boston, Hartford and Erie Railroad, and to every other railroad that comes to Boston, that could take place.

Mr. BIRD. Mr. Chairman, I object. We have heard enough about the consolidation.

TESTIMONY OF SAMUEL W. BATES.

Q. (By the CHAIRMAN.) You have been employed by the Boston, Hartford and Erie Railroad?

A. Yes, sir, seventeen years; ever since the road started, as the old Norfolk County Railroad.

Q. Have you, as counsel for the Boston, Hartford and Erie Railroad, ever employed any parties in or about the State House, or paid any money, in any way, shape or manner, for newspaper articles, or in any other way, to influence any legislation pending before the Legislature?

A. No, sir.

Q. You do not know of any such money having been paid?

A. No, sir. I have always acted as legitimate counsel in every case. I have never been employed by any company, and never would be employed, except when I was employed as counsel before committees.

TESTIMONY OF E. D. FOSTER.

Q. (By the CHAIRMAN.) Have you ever been employed by any railroad corporation, or any parties interested in any railroad corporation, directly or indirectly, in any way or form, to influence any matter of legislation?

A. I have been employed by almost all the railroad corporations in Massachusetts, with very rare exceptions.

Q. Will you be kind enough to state to the Committee some of the corporations that have employed you?

A. I have been employed by the Old Colony, by the Western, by the president of the Connecticut River, (I suppose he employed me for his road,) by the president of the Lowell, by the Fitchburg, the Vermont and Massachusetts—I can't tell all of them.

Q. What did you understand the service was that you were to render the parties who employed you?

A. It was to keep them acquainted, as far as in my power, with the condition of their affairs before the Legislature, whatever they might be, if there was anything occurring in relation to them.

Q. To keep the corporations informed?

A. Yes, sir, anything that was going on, and anything that in my opinion it was necessary for them to do. To inform them of what was going on before committees, or in the Legislature, and as far as in my power lay, to state to the members of the Legislature with whom I was acquainted the facts, as they were given to me, in relation to the matter under consideration by the Legislature.

Q. Has it been a part of your duty at any time to institute what is generally understood by the term "log-rolling"?

A. No, sir; it has been my instruction and my constant effort to overcome the natural tendency of the Legislature to make log-rolls themselves.

Q. What particular means have you used to prevent that, or to accomplish the result you aimed at?

A. To so far as possible inform every member with whom I was acquainted, or whose ear I could get, of the facts in the cases in which I was engaged,

as I believe that, as a general thing, the members of the Legislature are men desirous of doing right, and want to do what in their judgment is best, and that a correct knowledge of the facts, in a majority of cases, would be successful against log-rolling.

Q. Then you have never been engaged in putting two schemes together for the purpose of carrying measures in the Legislature?

A. Never, sir.

Q. And never have done it?

A. Never. I never have had any instrumentality or anything to do with it.

Q. How long were you employed by the Boston and Albany, the Boston and Worcester, or the Western Railroad?

A. I would say one thing: I don't think the Worcester Railroad, while it was the Worcester Railroad, ever employed me. The Western Railroad, while it was the Western Railroad, employed me.

Q. How long did they employ you?

A. One session of the Legislature, as near as I can state.

Q. Which was that?

A. Well, sir, I think in 1865 or '66.

Q. What was it to do?

A. My memory does not serve me exactly, but I think it was in connection with the consolidation of the Western road; I am not positive. These things,—you know, Mr. Chairman, that, having been what is denominated a lobby man for quite a number of years round the State House, I can't remember—

Q. I understand you. What did they pay you for your services?

A. My impression is that it was $200, but I am not positive.

Q. Was that the only time?

A. I believe it was, sir. I think I earned twice the money.

Q. Have any parties employed you this winter?

A. Yes, sir. I have a legitimate business. That is, I come here regularly every session, year after year, paid by different corporations for looking after their business. Some of them I have not done anything for. They have made no bargain with me, and have paid me no money.

Q. What corporations have you regarded yourself as having been in the employ of?

A. The Old Colony and Boston and Lowell, and I have reckoned myself among the employees, or, rather, one who would be entitled to pay, from the Fitchburg. I don't know how it will turn out.

Q. What have the Old Colony had for you to do?

A. They haven't had anything.

Q. And yet they have employed you?

A. Certainly.

Q. And what has the Lowell Railroad had?

A. They have been before the Legislature asking for some terminal facilities in the city of Boston—some increased privileges.

Q. What particular service did you render them?

A. I have performed the same duty for them that I have for all others in past years—informed them if anything was taking place.

Q. In connection with this matter of terminal facilities?

A. Yes. They want information from day to day what the condition is, how it stands; and if there is a change in the time of a hearing,—as there has been to-day, and neither Mr. Stark nor Mr. George, their attorney, was present, and they were not aware of the change,—they want to be informed of it; and to state the facts in relation to what they want to the members of the Legislature.

Q. What corporations employed you last year?

A. About the same that I have named.

Q. And they paid you what?

A. About the same. I have a memorandum somewhere.

Q. State as near as you can?

A. The Boston and Lowell, Old Colony and Fitchburg.

Q. Any horse railroad corporation last year?

A. Yes, sir.

Q. What?

A. The Metropolitan have for a number of years.

Q. This year at all?

A. With the usual understanding, that whenever I come down here, I am to be prepared to do for the Metropolitan, in a proper manner, anything they have. They have paid me no money.

Q. (By Mr. LADD.) Have they ever paid you anything?

A. Yes, sir.

Q. (By the CHAIRMAN.) What was paid you last year by the various corporations that you were employed by, as near as you can remember?

A. Some of them paid $200, some $300, and some $100, and some didn't pay me anything.

Q. Will you please to name the corporations that paid you $200 and $300?

A. I don't know as I can.

Q. You had a headquarters in Boston last year?

A. Yes, sir, and I have had for several years past.

Q. You regarded that as part of the means of enlightening the members of the Legislature.

A. Yes, sir, it was a very important part. I don't mean by that that the members were enlightened at that place especially, but it was a suite of parlors, open for any gentlemen, either members of the Legislature or outsiders, to come in and spend the evening, some two evenings in a week. It was open for the purpose of making acquaintances. You are aware how much easier it is to make the acquaintance of men in a body than to catch them singly, and it enabled us to make the acquaintance of a large number of members, and having made their acquaintance, we could talk with them more freely upon matters in which we were interested.

Q. Last year, it was in Avon Place?

A. Yes, sir.

Q. How has that been supported?

A. By money out of my pocket, and my friend, Mr. Nichols'.

Q. Not by members of the Legislature?

A. Never, sir.

Q. (By Mr. LADD.) Are you alone, or have you a partner?

A. Mr. Nichols and myself have been together in the matter for a great number of years. If there were any expenses, we have divided them. If we got any money, we divided that. It frequently occurred that we got nothing, and that we divided.

Q. (By the CHAIRMAN.) In 1867, it was the same?

A. Yes, sir.

Q. The same corporations?

A. About the same, yes, sir.

Q. (By Mr. LADD.) The B., H. & E. Railroad in 1867?

A. Well, I can't say. Mr. Eldridge paid me something in 1867. I either had money or a check of the B., H. & E. Corporation. Mr. Eldridge paid me some money, I can't say how much.

Q. What were you to do for him personally or for the B., H. & E. R. R.?

A. I was to aid the B.. H. & E. Railroad in its matters, as I did other corporations and other private individuals.

Q. (By the CHAIRMAN.) This year, have the B., H. & E. R. R. employed you?

A. They have not.

TESTIMONY OF JOSEPH A. HOLMES.

Q. (By the CHAIRMAN.) Do you know of any money that has been paid, directly or indirectly, to influence legislation or members of the Legislature in years back?

A. No, sir, I don't. I suppose you refer to railroad corporations?

Q. Anybody?

A. No, sir, I don't.

Q. You are connected with some railroad corporation?

A. Not at present.

Q. You have been?

A. Yes, sir.

Q. With what?

A. The Old Colony, four or five years ago.

Q. Were you acquainted with the headquarters of the lobby at Avon Place?

A. No, sir, I was not.

Mr. BIRD. Before the hearing closes, I would like to say, that the hearings of the Committee have been conducted openly, as we intended they should be at the beginning; that the method of conducting the investigation has not been changed from the first. We have conducted it just as we intended to at the beginning. We intended to have private meetings just as long as we thought it would subserve the public interests, and we shall hold them again and continue to hold them as long as we think the public interests will be promoted thereby. There has been no change in our proceedings in con-

sequence of any opinion of the Supreme Court or any acts or opinions of anybody.

The CHAIRMAN. I wish to say, also, further, that the summons that was issued for the witnesses on this occasion was in all respects substantially the same as has been issued before, although one of the Boston papers, I notice, stated that a material change has been made in the form of the summons. The summons is substantially the same.

Mr. DREW. May I present the summons which I have here?

The CHAIRMAN. The Chair has it on his table.

ROBERT K. POTTER—*Sworn.*

Q. (By the CHAIRMAN.) You have read some testimony that was given by Mr. Drew?

A. Yes, sir.

Q. Have you any statement that you would like to make in regard to it?

A. I don't know that I have particularly.

Q. Did you receive a portion of the money which Mr. Drew testified he received from Mr. Eldridge? Mr. Drew testified that he was indebted to you, and that he paid that indebtedness, and gave you some money besides.

A. Well, the amount of money I received besides Mr. Drew's indebtedness to me had nothing to do with Mr. Eldridge. Mr. Drew and I had had transactions together for over a year, the history of which I will give you if you would like to hear it.

The CHAIRMAN. I don't know that the Committee have any interest in that.

Mr. POTTER. I first became interested with him in reference to a gold mine in North Carolina. There is a very long story to it; I had furnished him money gradually along, up to December, 1867. I had not only furnished him money, but I had become obligated for him.

Q. (By Mr. BIRD.) Do I understand that you were concerned with him in the gold mine, or that you loaned him money for his benefit?

A. I loaned him money, and had no interest in the mine. He bonded a piece of property down there and paid a certain amount down, and then was to pay a certain amount in a given time; and he made several expeditions down to it, which cost money.

The CHAIRMAN. I don't think that is any thing we care to know.

Mr. POTTER. Let me answer the question in regard to Mr. Drew's money. When Mr. Drew settled with me, he said, "You have been very kind to me, and loaned me money," and shoved along a fifty dollar bill. A portion of it belonged to the account, and a portion did not. I said, "That is more than you are actually indebted to me." "Never mind," said he; "you have been kind to me; loaned me money; stood by me, and it is all right."

Q. Was it not more than fifty dollars?

A. No, sir; it was a fractional part of fifty dollars.

Q. Then all he gave you was what he actually owed you, and a fractional part of fifty dollars?

A. Yes, sir. If it was $35, he shoved along a fifty dollar bill, and I began to feel in my pockets to make the change, and he said, "Never mind about that; it's all right."

Q. That is the whole of it?

A. That is the whole of it, yes, sir.

Q. (By Mr. BIRD.) Had you or not any connection whatever with Mr. Drew's stock-jobbing operation here in Boston that he spoke of in connection with the Boston, Hartford and Erie stock?

A. I never knew anything about it; and when Mr. Eldridge sent for me to find Mr. Drew, when he spoke to me in regard to it, I said, "Mr. Eldridge, why don't you send for him?" Said he, "I would rather you would send for him." I don't know exactly what Mr. Eldridge said, but he spoke something about Mr. Drew's being connected with an operation affecting the stock or bonds of his road, either or both, I won't say which. Said I, "What do you care about it?" Said he, "I care this much,"—I think he said he had a large amount, fourteen or fifteen hundred thousand dollars' worth of that stock and bonds in New York, for which he was individually responsible, and four or five hundred thousand dollars here. I think that was the sum; something like that. I said, "This is a serious matter. I will write a note to Mr. Drew." I wrote him a note and he came to see me. He declined to go and see Mr. Eldridge. I asked him repeatedly, "What is this thing which you have got up?" Said he, "It is something of my own; I don't want to say;" and it was not until I appealed to him and reminded him of the favors I had done him that he consented to go and see Mr. Eldridge. He said, "To accommodate you I will go." He had not been there fifteen minutes before Mr. Eldridge sent for me. I went over there, and they were in the third room and I was in the second most of the time. I think Mr. Drew tried to leave three or four times. I didn't know then what the transaction was. I have learned more about it since this investigation began than I ever knew before.

Q. Then you were not a party to the transaction in any way whatever?

A. No, sir, I was not a party in any way, shape or manner.

Q. (By Mr. LADD.) Are you a stockholder or bondholder in the Boston, Hartford and Erie Railroad?

A. No, sir; I never owned a dollar in it in my life.

THIRD PUBLIC HEARING.

ISSUE OF STOCK BY WESTERN RAILROAD.

FRIDAY, May 21.

The Committee met at 7.30 o'clock, and the Chairman stated that the object of the meeting was to consider the following Order, introduced by Mr. Nash of Boston:—

"Whereas, by the Act of 1866, chapter 300, the Western Railroad Corporation was authorized to increase its capital stock with the usual provisos for payment, which authority, in the language of the directors in their report to the shareholders dated January 2, 1867, 'was asked for by the corporation in order to provide funds for the completion of the second track, to make such other additions to the facilities of the road as the increasing business should render necessary, and to purchase as opportunity may offer any of the outstanding obligations of the corporation.'

"And whereas, the directors, without giving any notice to the legislature of that which they have since stated 'to have been their intention from the first,' did on the fourth day of June ensuing, three days after the adjournment of the General Court, direct their treasurer to distribute to their shareholders 20,000 shares, worth in the market *two million eight hundred thousand dollars*, without requiring any payment therefor, imposing thereby an annual tax forever of two hundred thousand dollars on the business of the State, three hundred thousand dollars of which has already been paid.

"And whereas, the directors, without giving any notice to the legislature of what they have stated was their 'intention from the first,' did, on the fourth day of June, four days after the adjournment of the legislature, pass the following vote:—

"'*Voted*, That the capital stock of this corporation be increased by the issue of TWENTY THOUSAND NEW SHARES, and that the treasurer be directed to distribute, on and after July 10th, to the stockholders of record, at the close of business on Saturday the 8th instant, the number of full shares to which they may be respectively entitled, in the proportion of three new to ten old shares.

"'No fractional shares shall be issued, but rights to fractions of a share may be assigned, and the assignee shall be entitled to receive stock under the provisions herein stated.

"'Provided, however, that the right to convert any fractions into stock shall cease from and after the first day of AUGUST next, and thereafter the treasurer is authorized to pay thirty dollars for each right on the original shares not converted.'

"And whereas, the passage of said vote gave to the said directors and their shareholders property worth in the market two million eight hundred thousand dollars, and imposed a tax of two hundred thousand dollars per annum on the people of the Commonwealth without requiring any payment for said shares as provided for in the act above-mentioned,—three hundred thousand dollars of said tax having been already levied by and paid to the corporation, therefore,

"*Ordered*, That the joint special committee on the investigation of the charges of bribery against railroad corporations be directed to consider what measures, if any, can be adopted to relieve the people of Massachusetts from the payment of this tax of two hundred thousand dollars, with permission to send for persons and papers, and to report by bill or otherwise."

The CHAIRMAN. In compliance with the directions of the Committee, I have summoned the President of the Boston and Albany Railroad, Mr. Chapin, who is present here to-night.

Hon. CHESTER W. CHAPIN—*Sworn.*

Q. (By the CHAIRMAN.) You have heard the Order under which the Committee have called this meeting. Will you be kind enough to state to the Committee such information in regard to the matter embraced in the Order as is within your knowledge?

A. You have read substantially the action of the corporation, I believe all of it that is essential. The reason we had for doing it at the particular time we did do it was the legislation which had taken place just before the Legislature adjourned. The bill to which I refer had not been signed by the Governor more than a day or two before the Legislature adjourned, and the ground upon which we issued the stock was, that the corporation had at that time an accumulated fund on hand amounting to about two and a half millions of dollars, in addition to the amount divided. Before the action taken by the Directors of the Western Railroad, the President of the Worcester Railroad, pursuant to the Act passed by the then adjourned Legislature, had called their stockholders together to vote upon the question of consolidation. The bill was a contingent bill. We applied for leave to build an independent road to Boston, and when it was discovered that the Committee were likely to report such a bill, the Worcester road came in with their influence, and asked that there might be a provision in the bill, allowing them to consolidate rather than have another road built. The bill was therefore conditioned upon their accepting it within a certain time. If they did not accept it within a given period,—I forget now what it was, but I think it was three months,—the Western Railroad Corporation was then authorized to extend its road to Boston. We thought that their stockholders, when they came together, should know, in all fairness, our whole position and what we proposed to do; that if they should come together and vote to accept the Act, and we should then come in and vote to increase our capital stock, it would be an unfair thing on our part; and that we ought to give them proper and fair notice of what our condition and purpose were. We therefore took quite early action in the matter. That was the only reason why we moved so quickly as we did move in the matter.

After the Act was passed, I went very carefully through the figures and through all the calculations of the earnings of the two roads, of their property, as represented by their stock and debts, and the ability of each road to earn money, as compared with previous years; and I found, by a process which was perfectly satisfactory to me, and by a process which, by going back, I could prove it to anybody, I think, that the stockholders of the Western Railroad should have between twenty-seven and twenty-eight thousand shares of stock distributed to them, to make them stand upon an exact equality and par with the stockholders of the Boston and Worcester road,—with this simple difference; the debt of the Western Railroad was payable in gold, and therefore there should have been a margin for that. But if the debt had not been payable in gold, while the assets of the company were in currency, to have made us equal, by any rule of fairness, we should have divided twenty-seven thousand and some four or five hundred

shares. We considered that by the Act of 1866, we had full authority to issue twenty thousand shares. We had stated to the Committee of the Legislature who gave us that authority our purpose of representing the cost of our road by stock, rather than by stock and debt, and we considered that the twenty thousand shares, which were not restricted in the bill, while the eighteen thousand five hundred shares were restricted, were given to us for the purpose of representing, so far as they went, the payments we had made to the sinking funds to liquidate the debt. The Committee also knew, it was represented to them, that the bridge was already built and paid for, and credit given to the contingent fund. We therefore proceeded, as much to protect the interests of the State as a stockholder, as to protect the interests of every stockholder, and voted to increase our stock by the amount granted, and to distribute it at the rate of thirty per cent. to the stockholders. We then had more than two and a half millions of dollars which was not represented by stock; and I believe, if this intelligent Committee would go over all the books and accounts with me, their report would be that we ought to have leave, now that we have paid our debt, to make our stock equal to the cost of the road.

Q. (By Mr. NELSON.) Why did you not divide this money among the stockholders ?

A. It was not in money, so that we could divide it; it was invested in securities.

Q. Was not another reason, that the statutes prohibited your paying more than ten per cent. ?

A. No, sir.

Q. Is it not a fact, that there is such a prohibition ?

A. I am not aware that there is any such provision. There is a provision that the State can take our property by paying ten per cent. I am not aware that there is any specific provision to that effect. There may be.

Q. (By the CHAIRMAN.) How did you get at this equalization ? Will you be kind enough to state to the Committee ?

A. If I had been at home on receiving the summons, I should have brought the papers with me, if I could have found them. I came to the city yesterday morning, and was here last evening. I went into the calculations very fully.

Q. Perhaps you can describe it to the Committee so that they can understand it.

A. I can describe it in a general way. The Western Railroad, in the first place, was built and completed with a stock capital of $5,150,000. Its debt was five millions three or four hundred thousand dollars. One million of that was a loan of the city of Albany bonds, and there was a separate sinking fund to meet that loan. $250,000 of that loan was due in 1866; $300,000 in 1870; $200,000 in 1871; and $250,000 in 1876. That fund, at the close of the year before we consolidated, was, in round numbers, $1,013,000, as I have it here; I think it was more than $1,014,000; so that it was more than sufficient to pay the debt. The contract with the city of Albany provided that we should pay into the sinking fund $10,000 a year until the fund with the accumulation of interest was equal to the debt; and that the interest then received upon the investments of the fund should pay the interest on the outstanding bonds; so that we were then relieved not only from paying the contribution, but from paying the inter-

est on that fund. There was $70,000 a year which had been appropriated to pay the interest upon and contribution to the Albany fund, from the payment of which we were relieved, and which could be applied to any other purpose, which enabled us to pay so much towards the dividends on the 20,000 shares. The value of our contingent fund was $1,267,858.43. The Albany sinking fund, for the purposes here, I have called $1,013,000. It was, however, I am quite confident, between $14,000 and $15,000. The Massachusetts sinking fund was $2,719,868. These sums make $5,000,726.43. Of that sum, which our reports have always shown, $459,578.62 were construction funds. That is, the premium upon the Massachusetts bonds was paid directly to the treasurer, to commence the sinking fund. That was $146,446.52. There had also been paid from the proceeds of shares into the sinking fund $313,111.10. The contract with the city of Albany provided that of the amount loaned $100,000 should be at once put into the sinking fund. So that those sums, amounting to $459,000, that were in the hands of the commissioners of the sinking fund, were not profits; they had been paid out of the capital, and left the profits of the company at that time $4,541,147.82.

Some four or five years ago, the stockholders of each company voted to appoint a committee to examine the matter and see if we should not consolidate. That committee asked each road twenty-one questions, in writing, which were answered in writing; and those questions were asked by very shrewd financial men, men who understood what they were about, and developed very fully the situation of both roads. That Committee consisted of Messrs. Bowditch, Bacon, Washburne, Whitney, Rand and Ball. They reported that we should consolidate at that time; the whole business of both roads was opened for ten years, to show what each company had earned, and what they had accumulated; and it was shown then that our road was able to earn between two and three per cent. per annum upon its stock, besides meeting all its engagements, more than the other road. I had those figures, and from that data I went forward and found that from that time up, the increase of our business had been greater than my estimate. The last question they asked was, "Make any suggestions which you wish to make." Upon that I had gone into a calculation to show what would be the condition of the Western Railroad when the entire indebtedness should be paid off by the process which was then going on, and to show what we would be able to do, how much capital we could well carry. The experience I had had up to this time had shown me that my calculations were within the bounds—very considerably within. I tried the other road by the same rule: If their capital entitled them to the amount of stock which they had, what amount of stock should we have with the business we were doing to represent our capital?

Q. Was the basis a ten per cent. dividend?

A. No, sir; I didn't make any basis; I only said, "They have so much stock, they earn so much money; we have so much stock, we earn so much money;" and the prospective advantages of our road were much greater than theirs, because from the first I recollect of reading of the Western Railroad, it was said, "If the calculations of the directors are carried out, if the sinking funds pay their debt, as they say they will, they are entitled to a share of the stock for every share they hold." I only took the assets, which we had at the time, and our ability to earn money. Our stock

was then $6,600,000, or thereabouts, and my figures came to the result that we could pay on 27,000 shares—$2,700,000.00—more than they could on the same basis.

Q. At what time was that?

A. This was in June, 1867.

Q. Then at the time that this Act was passed, which was in 1866, you did not have in contemplation any such division of stock among the stockholders?

A. We calculated to make a division, but not so quick as we did make it.

Q. I will read a portion of this Act:—

"SECT. 1. The Western Railroad Corporation is hereby authorized to increase its capital stock by an amount not exceeding three million, eight hundred and fifty thousand dollars, by adding thereto an additional number of shares, not exceeding thirty-eight thousand five hundred and fifty shares, of one hundred dollars each; so that the entire capital stock of said corporation shall amount to ten millions of dollars. At least one million eight hundred and fifty thousand dollars of said increased capital stock, or the proceeds thereof, shall be applied toward the construction of the bridge over Hudson River, the completion of the double track of the railroad of said corporation, and the equipment of said road. And said corporation shall, from the proceeds of said new issue of stock, complete the construction of said double track within two years from the passage of this act, and provide all suitable and necessary equipment therefor. No more than eighteen thousand five hundred shares shall be issued prior to January 1st, in the year 1867.

"SECT. 2. Before any sale of the new shares authorized to be created by this act, the directors of said corporation shall give notice in writing of such authorized increase to the treasurer of the Commonwealth, and to the other stockholders; and then, thirty days after such notice, the Commonwealth and the other stockholders may take, at the par value thereof their proportion of such increased shares, according to the number of shares in such capital stock owned by them severally at the date of such increase. And if any shares then remain unsold, the said corporation may dispose of the same at not less than the par value thereof."

Q. Should you not infer from the language of this Act, that it was expected that the stock would be sold?

A. No, sir; I did not so understand it.

Q. Would you not understand it so from the language of this section?

A. Not in connection with the fact that the Committee had full knowledge that the bridge was completed, and had been paid for out of our surplus earnings; and in our report to our stockholders which they had accepted, it was distinctly stated, speaking of the debt, with its advantages and disadvantages, (the gold liability we were under, and all that,) "At the rate at which these bonds have been held in London, it is supposed that, with the present rate of exchange, they can be purchased by paying about twenty per cent. premium in currency. While it might not be advisable at present to make that sacrifice by purchasing on account of the sinking fund, it may become desirable to purchase for account of the corporation, and with legislative authority to issue stock as these bonds shall be cancelled; an opportunity may offer, when the entire indebtedness of the corporation may be paid before maturity, and stock substituted as the representative of its property."

Q. (By Mr. NELSON.) Did you buy any of those bonds?

A. Yes, sir.

Q. How many?

A. We began to pay off the bonds a year ago last April. There were a few bought before that. There are now £13,000 in the sinking fund of the bonds maturing next October.

Q. That you have bought in?

A. Yes, sir.

Q. About $65,000,00?

A. They are gold, you see. These bonds stand now in the assets of the sinking fund at $297,600.00; that is at $4.80. All the premiums paid on them, they stand at $297,600.00. These are all redeemed. These we pay interest on to the treasury of the Commonwealth just the same as we should to the Barings.

Q. Then you have bought $65,000.00 worth in gold?

A. Yes, sir, a great deal more; $297,000.00.

Q. I understood you to say that you had bought £13,000.

A. I said there were £13,000 in the treasurer's hands of the bonds that come to maturity next October.

Q. I want to know how many the corporation has bought?

A. The corporation did not buy any of them. They were bought by the sinking fund.

Q. How many were bought by the sinking fund?

A. I think about $500,000.00; a little more, I should think. I do wrong in saying that the corporation had not bought any, but up to this time, the corporation had not bought any. The corporation took up last October, rather than pay so much premium on gold, £250,000 on the credit of the State. The last Legislature before this granted a loan of $2,000,000.00, with the privilege of using the bonds as collateral. We stated to them especially that we did not intend to sell these bonds, that we proposed to use them as collateral, if we could, to carry the debt along until gold should be at less premium; and they granted the loan upon that condition. We told the Committee precisely what we proposed to do. We did not tell them that we did not intend to issue the stock, but I have no hesitation in saying here, or anywhere, that we should not have issued it in June, '67, had it not been for the peculiar situation in which the two corporations were placed.

Q. What did those 20,000 shares of stock represent?

A. It represented money that was in the sinking fund.

Q. Did it represent money that was actually lying in the sinking fund?

A. The bonds had not then matured, and the company took up in April prior £135,000. The next October, £337,500 became due.

Q. Making in all how much?

A. That would make £472,500 sterling.

Q. How much of that had been paid?

A. At that time, £135,000 had been cancelled. The Treasurer of the Commonwealth has the custody of all this fund. The Albany bonds were not all paid, because we had not been able to get them, but we have bought all we could get. There are to-day outstanding only about $500,000 or $510,000 of the bonds.

Q. What do you compute in currency has been paid up to the present time?

A. I see by the report that they paid last year $324,212.51 premium for gold to pay these bonds.

Q. Then the amount of principal?

A. The amount of bonds taken up was £472,500. The amount of outstanding bonds to-day is £427,400. More than half have been paid.

Q. That amounts to more than $2,000,000.00 in currency that has been paid out to redeem these bonds?

A. Yes, sir.

Q. Has that all been paid since the statute was passed authorizing you to increase your stock?

A. All that has been paid by the corporation has been paid since then.

Q. How much has been paid by the corporation since that time?

A. £250,000.

Q. How much out of the State sinking fund?

A. [Reading from the report of Commissioners of the Western Railroad Loan Sinking Fund for 1869.] "There has been disbursed of this fund in redemption of the loan for which the fund is created and falling due in 1868 and '69 as follows:—

Remitted to Baring Bros. & Co.,	£155,339 0*s.* 6*d.*
Paid in Boston,	73,100 0 0
Making	£228,439 0*s.* 6*d.*
Reduced to currency, at $4.80, is	$1,096,507 32
Premium paid on same,	324,212 51
Total cost,	$1,420,719 83

Q. That has been paid since this Act of 1866 was passed?

A. Yes, sir. None of the bonds had matured when that Act was passed.

Q. Where did that fund come from?

A. $146,467.52 was paid in for premiums on the original bonds as they were sold. In 1845, the Legislature authorized the road to issue stock for what it paid in to the sinking fund, but they very soon found that that was going to make the obligations of the road more than they could carry, increasing the stock to such an amount that they would not be able to pay dividends until the debt was paid off. When the debt was paid off, then it would be proper that stock should be issued in its place. The Legislature repealed that Act after it had been in operation two or three years. That was the foundation of the Massachusetts sinking fund, and from that time down to the present, we have paid to that fund $40,000 a year, and its accumulation of interest is the balance.

Q. That has come from the earnings of the road?

A. Yes, sir; $40,000 a year has been paid from the earnings; the balance is accumulation of interest.

Q. If I understand the position of your road, it is this, that you are entitled under this Act legally and justly to issue stock to the amount that you have paid on this funded debt of your corporation?

A. No, sir; I don't understand that we have that authority. We think we are entitled to it, and hope at some future time we shall be allowed to do it.

Q. I understand that your claim is this, that the twenty thousand shares represent the money that you have paid toward reducing your funded debt?

A. Yes, sir; our balance sheet shows this. This is the balance sheet for 1865. I take this because it was the last issued before the Act of 1866 was passed. Upon the treasurer's books the commissioners of the Massachusetts sinking fund were charged with $2,506,262 13
At that time the Albany fund is charged with . . . 946,077 87

That made $3,452,340 00

There was credited to the sinking fund profits $2,992,761.38. This two million stock which we issued was debited to the accumulated sinking fund profits, and still left, with the contingent fund, that two and a half millions of profits undistributed. The difference between the debit of the commissioner of the sinking fund and the credit of the accumulated profits was the sum I gave you before, $459,518.62. That was not profits. The commissioners held it; it was a proper charge to them; but it was a part of the capital.

Q. Was any part of your construction account represented in those twenty thousand shares?

A. It was all construction; that is, that $2,000,000 had been borrowed and paid.

Q. As separate from this loan fund?

A. The $2,000,000 had been used in the construction of the road, and had been charged to the various accounts.

Q. As the debt was contracted?

A. Yes, sir. It was used when the road was first built; then, as it was paid off, it went to the credit of stock in the balance sheet, and the debit to the construction side, the same as before. It had been charged to the various accounts, graduation and masonry, superstructure, rolling stock, &c., as the debts were contracted, as the road progressed in its building.

Q. Let me call your attention to chapter 68, section 9, of the General Statutes: "Corporations having a capital stock divided into shares, unless specially authorized, shall not issue any shares for a less amount to be actually paid in on each share than the par value of the shares first issued." Now, I understand that this fund that was represented by this stock was the fund of the corporation, but not of the stockholders as individuals. Does your corporation regard that as being equivalent to money actually paid in on each share within the meaning of this section of the General Statutes?

A. The money had been borrowed by the corporation, (the corporation represents the stockholders,) and had been used in building the road.

Q. It was the property of the corporation, wasn't it, not of the stockholders?

A. The property is all the property of the stockholders.

Q. It is a matter of common knowledge that the property of a corporation is not the property of the stockholders.

A. There is not one single idea that I have ever endeavored before any committee to disguise.

Q. We were investigating the legality of the transaction, and here we find this statute which seems to imply that the money must be paid in by the persons who take the shares.

A. At the time this proposition to increase our capital stock, and make

this distribution of it was brought to the attention of the directors, it had their careful consideration, and the natural inquiry of all was, first, "Is it strictly legal?—is it exactly in conformity with law?" No man had the remotest idea but what it was just. The money had been expended, and so much money had accumulated, and that money used to pay the debt contracted for the money which was used to build the road. Before passing that vote, we sent a committee to what we believed to be as good legal counsel as were to be found, and the question was (and I had come fresh from before the Committee, and I had told them that we had expended this money for the bridge,—

Q. That you had expended the money of the corporation?

A. Yes, sir; the money which we had earned. That was the money of the stockholders which we had expended in building the bridge; and they put in a provision expressly for that, that this $1,850,000 should cover that. My first impression was, that we had a right to give the whole 27,000 shares for the money of the stockholders which we had paid in building the second track,—for we had then got the second track three-quarters done. I thought we had a right to divide the 27,000 shares among the stockholders. I saw then as plainly as I see now, that the Boston and Worcester Railroad were getting more than they ought to have, and the State of Massachusetts ought to have it, because she was a large stockholder; but our counsel said he was perfectly clear upon the question of the 20,000 shares, but he had some doubt beyond that. We said, "We shall take no doubtful step; we will go no further than you advise us." We were perfectly clear, therefore, about dividing the 20,000 shares, but as I tell you, I thought the State ought to have had her proportion of 7,314 shares more.

Q. There may be a very good reason for what you did, but what I want is to get at some grounds for this opinion which was given your road by its counsel; how the money of the corporation, which the corporation had earned itself, which belonged to the corporation, and not to the stockholders, never having been divided among them,—how that money could be treated as having been paid in within the meaning of this Act?

A. I think you regard the corporation and the stockholders in a light that I do not.

Q. They could not both have earned it.

A. There isn't but one; the stockholders are the corporation.

Q. The corporation does not own the property of the stockholders.

A. A combination of persons is created a corporate body by law. They are persons, but the corporation is what? It is a dead body. Suppose we should dissolve and break up, the corporation would not claim any share of the assets.

Q. The property would not belong to the stockholders then, in any sense that they could deal with it, or exercise any control over it, or own it, until it was divided under some authority. Supposing the corporation should stop to-day, if I owned a share, I could not go in and pick out what I deemed my share; the corporation would not permit it; it would bring an action against me if I touched any of the property. So it would seem that this fund which these 20,000 shares represented was property which belonged to the corporation, and not to the stockholders as individuals. There may be some good explanation of it.

A. Well, I don't know. Everything that belongs to the corporation belongs to the stockholders, it seems to me.

Q. The corporation holds it in trust for the stockholders. The stockholders of a bank cannot be said to own the money of the bank so that they can go in at any time and take it out. So of this road. The stockholders own the shares in the corporation; the corporation hold this property in trust for them. It would seem, under this statute, that the corporation owned this very fund which these 20,000 shares represented. Now, it may be true that it would be just and proper that the State should, if it ever redeemed your railroad under the right reserved in the charter, or any right which it may possess, pay what you actually had expended. It was perhaps an argument in favor of the road that such a thing should be done; still it seems that the corporation never had any property paid into its treasury by the shareholders representing these 20,000 shares. That seems to me to be the gist of the matter. Supposing you had taken this entire $2,000,000 and divided it among your stockholders, I suppose that then you might well have issued new stock under your charter, and called it in again, because it had become the property of the stockholders. But here is this matter of the right of the State to reclaim this property upon the payment of a sum of money, and then there would be the claim that these stockholders must be charged with these $2,000,000 which they had received in the way of dividends.

A. In that contingency, if the State redeemed the road, the amount paid would be the cost of the road, and ten per cent. interest.

Q. Do you understand that the company is to have the amount expended by the corporation with interest on it at ten per cent.?

A. Supposing the corporation had failed to pay at any time, and the State had taken possession of the road ten years ago, the State would then have assumed the debt, and from the cost of the road would have been deducted the amount of the debt. The provision is plain, that so much of the indebtedness as the State shall assume shall not be considered as part of the cost of the road.

Q. Supposing, under that statute, the corporation had earned $2,000,000, and expended it in construction, would the State be obliged to pay that $2,000,000 which the corporation had earned, or expended, if you had made dividends right along?

A. Then the dividends would offset it.

Q. Would you be entitled to receive from the State the amount of your earnings expended in construction?

A. I understand we should be entitled to receive ten per cent. only, nothing more.

Q. On your capital?

A. On the money expended in the construction of the road.

Q. Including the earnings expended for that purpose? Would you claim that the State must pay you all the earnings you had expended in the construction of the road before they could redeem it?

A. If we had expended our earnings in construction, and had not paid any dividends—which we did do to a very large extent; for ten years we went on, and the earnings went into construction——

Q. (By the CHAIRMAN.) You made no dividends?

A. It was not quite ten years, but nearly that.

Q. That you made no dividends?

A. No dividends whatever.

Q. (By Mr. BIRD.) If I understand it, Mr. Chapin, you spent $2,000,000 of your earnings in building a double track and the bridge?

A. No, sir; I don't think we had expended $2,000,000, because we had borrowed some of the money on dollar bonds. The money which was accumulated to pay the money borrowed that went into the construction of the road, was $40,000 or $50,000 annually; both funds paid from the earnings of the road, and the accumulations of the funds; the interest constantly rolling over; and that was profits, that was earnings.

Q. What do you say these $2,000,000 represented?

A. Represented money that had been expended twenty years prior in the construction of the road.

Q. Earnings?

A. The money had been accumulated from the earnings of the road and the sinking funds.

Q. The earnings of the sinking funds?

A. Yes, sir; interest on the accumulations of the sinking fund. Not a dollar has ever been drawn out of the sinking fund to pay to anybody. That is constantly rolling up, the interest this year becoming the principal of next.

Q. (By Mr. NELSON.) The corporation, as I understand it, borrowed this money, and spent it in construction. It had its capital stock and loan, and expended both funds in construction, and then came the sinking fund?

A. That was part of the contract when the State loaned the money.

Q. That sinking fund accumulated from the earnings, and the corporation, when this fund had reached a large amount, bought in this outstanding loan, from the earnings of the sinking fund and the corporation, to the amount of some $2,000,000 and over, and this new stock was issued to replace that. Is that the statement, Mr. Chapin?

A. Yes, sir. I think here is a statement [Report of Directors of Western Railroad for 1866, page 4,] that will perhaps explain it, so that it cannot be misunderstood.

"Value of Massachusetts sinking fund, November 30th, 1864, by last annual report,	$2,555,961 69
Contribution by Western Railroad, 1865,	40,000 00
Net earnings of fund in 1865,	210,300 44
	$2,506,262 13"

We were pretty largely interested in governments, and had gold for which we got a high rate of interest. The Albany fund is stated in the same way.

"Value of Albany fund, November 30, 1864, by last annual report,	$897,084 83
Contribution by Western Railroad, 1865,	10,000 00
Earnings of fund in 1865,	38,993 04
	$946,077 87"

The city of Albany would not allow us to take government bonds. Mr. Olcott, at a time when government bonds could have been had, I think, at

par, (they didn't vary but a fraction one way or the other,) wrote me that he had so much money, and asked if I didn't think it would be as well to put it into governments. I wrote him back that I did think so—that the Massachusetts fund was invested in governments, and I should be glad, as far as I had any voice in the matter, to have him do the same by the funds that he had in his hands.

Q. (By Mr. LADD.) He was in Albany?

A. He was in Albany. The next week he wrote me that he had discovered, that by the contract had no authority to invest money in governments, that that only authority he had was to invest the funds in mortgages in the city of Albany, bonds of the State of New York, or the State of Massachusetts, or Western Railroad notes secured by its own stock as collateral. I wrote him back immediately, "Don't sell those bonds, for the Massachusetts fund will take them, and replace the money for you to invest in something else." We went to the Albany city council for leave to go into government bonds, because we could have realized the amount there a year sooner. They said the understanding was that this money should be loaned out in the city to mechanics, etc., who wished to build, and that it was due to the city of Albany that it should be kept there to be loaned in that way. But we have bought every bond we could get hold of, and our treasurer is ready to buy all the bonds that he can get hold of at par and accrued interest, and as we get them here we send them to Albany, and there they are redeemed out of the fund.

Q. (By Mr. NELSON.) Perhaps I am very dull, but I want to see if I can understand what you claim that this $2,000,000 represents.

A. It represents property in the road, that property created by money borrowed by the corporation, that money repaid by these accumulations. I think I am the dull one, but I know the facts and figures, and if you will go through them with me it will all come out.

Q. (By the CHAIRMAN.) Does it represent the unpaid dividends for a series of years to the stockholders of the road?

A. Yes, sir; no stockholder had a dividend until 1845.

Q. (By Mr. BIRD.) Then it does represent earnings?

A. Yes, sir, certainly.

Q. (By Mr. NELSON.) That is just what I wanted to get at. Does that $2,000,000 of stock represent the earnings of the road?

A. Yes, sir. I don't know how you can make it otherwise. The money was borrowed, and the road built with it.

Q. You had gone on, and put that into construction, hadn't you?

A. Yes, sir.

Q. In widening the track, and building the bridge?

A. Yes, sir. We did not charge to construction a dollar when we issued that stock.

Q. (By Mr. BIRD.) Then was not the transaction just this: Suppose that instead of spending that $2,000,000 in construction, (whatever it was, widening the track, or building the bridge,) you had divided the money among the stockholders, and then had called upon the stockholders to take new stock, and pay you the money, would not the result have been the same?

A. Precisely.

Q. Then those who object to your issuing that stock can only say that

you should have allowed the earnings of the road to go to construction, and not divide them to the stockholders, either in money or stock. That is the claim, is it?

A. I don't see how they can claim that.

Q. But don't the objection come to that?

A. I don't see but it does, because the money had been earned by the road.

Q. The road had actually earned that $2,000,000?

A. Yes, sir.

Q. Then you had either got to put it into construction, and thus reduce the cost of your road, or else divide it in dividends to your stockholders, either in stock or cash? Isn't that it?

A. Yes, sir.

Q. (By the CHAIRMAN.) Let me put it in a new form, and see if we understand each other. Supposing I had been a stockholder from the outset, and was a stockholder now; would the amount of divided stock which I should have received, reckoning it at $100 a share, give me any more than ten per. cent. interest on my investment from the time I invested?

A. You would not have got ten per cent.

Mr. AVERY PLUMER. I have something here exactly to the point. Not long since I had the curiosity to know how the State stood in regard to the Western Railroad, and I went to the State treasury, and I have this reply from Mr. Wilder:—

"I have ascertained from the records in the State treasury, the date and amount of payments made on the ten thousand shares of Western Railroad stock, subscribed for under the Act of 1836, chapter 151, and cast the interest on the several sums at seven per cent., deducting dividends from the date of the payment, which commenced in 1845. The cost of the shares on the first day of January in that year was $1,344,392. The interest on this sum exceeded the dividends from that date forward, so that the cost on the first day of January, 1869, was $2,435,283. The State, therefore, could never have afforded to purchase the road and pay seven per cent. interest, compounded, though at five per cent., for which the money could have been borrowed. We might, and should have, taken all we could get as the new stock was issued, instead of abandoning it as we did," etc.

Q. (By Mr. NELSON.) Let me read section 14 of the charter: "That the government of the Commonwealth may, at any time during the continuance of the charter hereby granted, after the expiration of twenty years from the opening of the said Western Railroad for use, purchase of the said corporation the said railroad, and all the franchise, property, rights, privileges of the said corporation, by paying them therefor the amount expended in making said railroad, and in case at the time of making such purchase, the said corporation shall not have received a net income equal to ten per cent. per annum on the said expenditures, from the time of the payment thereof by the stockholders, by paying the said corporation such additional sum as, together with the tolls and profits of every kind, which they shall have received from the said railroad, will be equal to a net profit of ten per cent. per annum on the cost of said railroad, from the date of the payment thereof by the stockholders of the said corporation to the time of such purchase." What I want to ask you is this: if you regard this $2,000,000 as part of the net income of your railroad within the meaning of this section?

A. Well, I don't feel competent to answer that question exactly. I can say this: that it might be argued that the earnings of the sinking fund are different from the earnings of the road. We were required to make that fund. I have my own ideas about this, but this subject has caused considerable inquiry, one way and another, and I have once or twice gone through with it to see what it would cost the State to take it.

Q. Supposing the State should determine to purchase this road under the right reserved in the Western Railroad charter, and the Boston and Albany charter, would this $2,000,000 of stock be charged to the stockholders as part of their income received?

A. In my calculation, I have charged that to the stockholders.

Q. You think that the Commonwealth should charge it to the stockholders as income?

A. Yes, sir. In the calculations I have made I have charged it to the stockholders. I do not wish to give an opinion to be quoted upon that, because I don't think it would be just to anybody, but after making these calculations, I think the best way to buy the stock to-day, would be in the market.

Q. Even calling that $2,000,000 income?

A. Yes, sir, it is all income; income of the fund. There is no magic about it.

Q. (By Mr. BIRD.) You mean, if the State were going to purchase to-day, they must treat that $2,000,000 as income, which does to make up the ten per cent.? The fact of its having been converted into stock does not change its character?

Mr. NELSON. Within the purview of this Act?

A. I think that is plain enough.

Mr. NELSON. The whole thing is complicated, and there might be an argument on both sides, but it seems to me it must be treated as income.

Mr. CHAPIN. That is the way I have always treated it, in all the calculations I have made.

Q. (By the CHAIRMAN.) Without a knowledge of the history of this transaction, should you now think, by reading this section 2d of the Acts of 1866, that it was contemplated by the Legislature when it granted this Act, that the money should be paid in $100.00 on a share?

A. Technically, I think it has been paid in.

Q. Would it not be your construction of this Act of 1866, that it should be paid in by the stockholders?

A. No, sir, I did not so understand it. I understood, when they expressly restricted the application of the proceeds of the 18,500 shares, that they did not intend to restrict the rest.

Q. What other construction could you place on this? "The Commonwealth and the other stockholders may take at the par value thereof their proportion of such increased shares, according to the number of shares in such capital stock, owned by them severally at the date of such increase. If any shares then remain unsold, the said corporation may dispose of the same at not less than the par value thereof."

A. Every stockholder had his proportion.

Q. (By Mr. BIRD.) Did take them?

A. Yes, sir.

Q. (By the CHAIRMAN.) But not at the par value?

A. Yes, sir; they were charged at par in the account of stock.

Q. (By Mr. NELSON.) Do you think that was a sale within the meaning of the Act of 1866?

Mr. BIRD. The Act does not say "sale." It says, they "may take" them.

Mr. NELSON. Yes, sir; it says, "before any sale all the new shares authorized to be created by this Act," &c. This section seems to give the preëmption right (it is the common phraseology of all the Acts,) to the stockholders to take the shares at par over outsiders, who would be obliged to pay the market value. So the word "sale" would seem to imply that there was to be an actual purchase.

Mr. CHAPIN. We asked to have our stock increased to $14,000,000.00. We said that by the time we got through and finished up, that would no more than represent our property. The road had been built in cheap times, and had been built with an economy unknown at the present day, and we said that, under every consideration, the stockholders were entitled to stock for the cost of their property, less the debt they owed, and then, when the debt was paid, they should have the privilege of making stock. But the Committee said: "We don't know; we won't give you so much; we will give you ten millions this time, but 18,500 shares, you must apply for these matters." They said, "You may apply it for the bridge." The bridge was built, and it was in evidence that it was built.

Mr. NELSON. It is hardly a fair way to construe a statute to take the statements of the committee before it is passed. You must take the phraseology of the Act, as passed by the Legislature. I am at a loss to see how Judge Colt and Mr. Bartlett could say that this was a "payment" under the General Statutes, or a "sale" within the meaning of the Acts of 1866.

Mr. CHAPIN. It is unquestionably a delicate question; too delicate for me to argue.

Q. (By Mr. BIRD.) You had expended $2,000,000.00 in construction. Now you would say, "We want to get this money back out of stock"—

A. We had spent it out of earnings.

Q. Excuse me; let me go on: "We have expended $2,000,000.00. We want to comply literally with this Act, which requires us to sell that stock at its par value. Now we will borrow $2,000,000.00, then we will issue $2,000,000.00 of stock to our stockholders." No, that won't bring it out; I have dropped a link.

A. I think it would. Pay that $2,000,000.00 to the stockholders, and then issue stock and get the money back. It would be a roundabout way to get at it, but you would land at the same point.

Q. (By Mr. NELSON.) Why couldn't you, upon the same principle, every time you spend any money upon construction, issue stock to correspond with it, if your whole capital stock is not exhausted?

A. We could, if it were not for another difficulty. When I became connected with the Western Railroad, we wanted to commence building a second track. We had neither money nor material on hand, and all the stock that we had a right to issue was to be issued at par. We could not issue it below, and our stock was ninety odd; not a single share could we issue. I had an estimate made for double-tracking our road at less than $12,000 a mile, and I went to the directors with the proposition that I would take the contract to build the road; that I would take that stock and undertake to construct the road; so important did I consider it, and so valuable

did I know the stock to be, that I believed I could raise the money to carry it out. I had a talk with Mr. Peabody, of London, on that very subject, to know whether he would take that stock as security.

Mr. NELSON. That would have been a payment of money into the treasury?

Mr. CHAPIN. Yes, sir. The directors could have issued the stock at par as the work progressed.

Mr. NELSON. That would be undoubtedly proper and right.

Mr. CHAPIN. The directors asked me, "What will you do with the road?" "Well," I said, "if I am the contractor, I will let somebody else take care of the road." "Well," they said, "if you will find somebody else to make the offer, we will do it; but we are not willing to trade with you."

Mr. NELSON. That is not this transaction.

A. No, sir. Pretty soon after we began to use our earnings to build the track, because we had no other money. I proposed to the stockholders that we should borrow the money out of the sinking fund to build this second track, believing that we were able to give that fund better security than it could get otherwise; but the conservative men said "That money is pledged to a specified purpose, and we should keep faith with the stockholders," and I yielded, and it was two or three years before we raised money to prosecute the building of the track to any great extent. At length we got so we could issue our bonds. The Legislature of 1855 gave us leave to issue $10,500,000 of bonds, but they provided that we should not sell one of them below par. I went to London, and had a conversation with Mr. Bates. I said to him, "You know what a Western Railroad bond is?" "Yes. But I am to-day selling Pennsylvania Central bonds at 92. I would rather have a Western Railroad bond, because I can sell it better, but you know that a Pennsylvania Central bond is as good as yours, and I cannot sell yours at par when the Pennsylvania Central are selling at 92." I failed to make a negotiation with him, and finally borrowed of Mr. Peabody, for the corporation, on fourteen months, with two months' time to make the remittances in, £100,000; and when Mr. Fairbanks received my letter authorizing him to draw for £50,000 at sight, and £50,000 at sixty days, exchange was so high that that loan did not cost us quite five per cent., with the commission we gave him; and the business of 1856, which was very extraordinary, carried us up so that we paid that loan, and still carried the work along, and then began to sell our dollar bonds, and progressed with our work.

Q. (By Mr. NELSON.) Still I do not see why you could not, upon this same theory, until you got up to the limit fixed by the Legislature for your capital stock, issue year by year new stock, to represent earnings expended in construction?

A. We think we ought to have that right. We don't think we have it; we don't claim that. But we think this Committee would do us very great justice if they should say, "We find that the cost of the road ought to be represented by stock, and as fast as they shall cancel and retire the debt, they may issue stock to that extent."

Q. (By the CHAIRMAN.) How much more stock do you claim you have a right now to issue, under any Act or Acts of the Legislature?

A. Three millions more.

Q. And to divide it among the stockholders?

A. Issue it for $100 a share.

Q. And divide it upon the same principle that you have divided these twenty thousand shares?

A. Well, I don't know about that.

Q. Everything else being equal?

A. I should not settle such a question as that upon my own opinion, sir. If we had no right to issue stock, we should be poor indeed. We are expending a large amount of money, and it is upon our stock that we depend for the additions and improvements we are making.

Q. Are you spending money now in anticipation of issuing stock and selling it?

A. Yes, sir.

Q. (By Mr. NELSON.) You do not propose, under the present law, to issue stock representing merely the earnings?

A. For $100 a share.

Q. And receive it into the treasury?

A. Yes, sir.

The CHAIRMAN. The question I asked Mr. Chapin was this: If he claimed that they had a right, everything else being equal, to issue three millions of stock in the same way that they had issued the twenty thousand shares? He said he did not feel as though he ought to answer or was prepared to answer that question. He then said that he thought the company would be poor indeed if they could not issue any stock.

Mr. CHAPIN. I would appeal to the Committee (I don't wish to evade any question,) whether that is not a legal question?

The CHAIRMAN. I only asked what your view was in regard to the matter. Whether the company had come to any conclusion about it.

Mr. CHAPIN. No, sir.

The CHAIRMAN. Of course, we do not mean to commit you at all, sir.

Mr. CHAPIN. I have no hesitation in saying that the company have no idea, at present, of issuing a dollar of stock unless they receive $100 a share for it.

Q. (By the CHAIRMAN.) How large an indebtedness has been created or is being created now by the company, which stock must be issued to meet?

A. We don't owe anything.

Q. You said the company would be poor if they had no power to issue stock?

A. We have expended our earnings. We mean to be as prudent in the matter of saving interest as any business corporation could be. We gave, yesterday, a note for $15,000, which I approved, in the settlement of a question relating to the Grand Junction Railroad. The reason why we gave the note was because there are two parties contending for that money. It is money we have got to pay, and the party who is to hold it, for the benefit of whoever it may belong to, preferred our note to the money. Otherwise than that, we owe no money,—nothing but our indebtedness which appears. We paid, towards the liquidation of the same claim, $220,000 by a check. That is for the Grand Junction Railroad, which was located upon by the Boston and Worcester Railroad before the consolidation, and has been in the courts, and for various reasons, which we could not control, has never been settled until the present time. That property, taking the East Boston property and what we had to pay on the judgment to that road, and putting

it in order, with the improvements which we have in contemplation there this year, will stand at a little less than a million and a quarter of dollars at the close of this year; and that requires money. We are re-bridging the avenues here in the city; we are increasing our rolling stock all the time; we have built, since the year commenced, in our own shops at Springfield, five locomotives; we have bought four, and have four more now being built, which will be on the road in the course of two or three months; we shall add between three and four hundred freight cars this year, which cost us from $700 to $1,000 apiece; and with all these expenditures, which we are making to meet the increased business, we have got to issue some stock.

Q. (By Mr. BIRD.) How long were you in earning this two millions? How long was it accumulating?

A. From the first commencement of the sinking fund. The first $100,000 was paid into the Albany sinking fund before 1840. The contributions to the Massachusetts fund I think did not commence until 1843 or 1844,—until the road was opened through.

Q. (By Mr. BIRD.) If, instead of dividing the stock as you did, you had invested two millions of dollars of your earnings in construction, suppose you had then borrowed two millions of dollars and paid it out in dividends to your stockholders, which you owed them, (that is, which you might have divided from time to time as it was earned; which did belong to the stockholders in the form of earnings, and you might have divided it from year to year,)—I say, if you had spent two millions in construction, then you might have borrowed that amount, and passed it over to your stockholders in dividends, and then issued twenty thousand shares, taken from them the two millions in cash, and paid your debt with it. It would have come 'round to the same result you have now, would it not?

A. Yes, sir.

Mr. NELSON. Has the corporation any right to borrow money to pay dividends?

Mr. BIRD. I was only saying that it would have been precisely the same thing in the end.

Q. What did these stockholders pay into the treasury?

A. They paid the earnings which they should have had in 1843, '44. If the corporation had paid the stockholders this money year by year, they could not have performed their contracts. They were obliged to use their entire earnings to keep up their credit and fulfil their obligations to the public.

Q. (By Mr. NELSON.) Still, if the corporation had come to the Legislature, with this two millions in their treasury, and asked for authority to issue 20,000 shares, they would have been likely to have been met with the reply, "You have money enough for all your purposes." Then the question would have been presented whether it was wise to authorize this thing.

A. We came with this statement which is here. [Report for 1866.] I suppose a corporation is created to do business, and to do it upon general business principles. They must keep within the limit, of course. If we have ever gone outside of it, it has been unintentional. But the stockholders in the Western Railroad, and in the Boston and Albany Railroad, have all fared alike. There has not been money made by one part of them out of any other part; and I should have felt as if I had not done my duty,

I would have gone out of the back door, before I would have consented that the State should have lost its share by our having made no division of the 20,000 shares. The State received 3,867 shares—$537,000. If we had not divided that stock, the State would have been very nearly, if not quite, that much poorer to-day.

Q. (By the CHAIRMAN.) By the loss of interest?

A. By the loss of this stock. The Boston and Worcester road had met and voted to accept that Act. Our stock stood at 66,000 shares, and if we had come in a month after that and said, "We have increased our stock 30 per cent.," would they not have had very just ground of complaint against it? I think we were acting in a public capacity, and in a capacity worthy of commendation rather than of censure.

The CHAIRMAN. The Committee are not here to censure the Western Railroad.

Mr. CHAPIN. I know that. I mean, personally. If it was illegal, I know it was not the intention of any gentleman, for I recollect how thoroughly it engaged the attention of the Directors, and how thoroughly convinced they were it was a right measure. The Boston and Worcester road at that time had voted to increase their stock.

Q. (By the CHAIRMAN.) But without a knowledge of the history of the transaction, you would yourself come to the conclusion, from reading that second section, that the money was to be paid in?

A. I think not, come to take the fact—

Q. I say, without a knowledge of the history of the transaction, taking that section simply as a naked section, and putting the ordinary construction upon it?

A. I think it amounted to paying it in by borrowing it. The corporation had borrowed the money.

Q. That is your understanding of it; but without any knowledge of the thing, what should you think?

A. That is the conviction to which my mind comes in the matter.

Q. But if you were a stranger to the matter, knew nothing about it, but read that simple section, would you not think that it was the intention of the Legislature that the stock should be sold at $100 a share?

A. If it was not connected with anything, perhaps it might be so. This is a continual thing—a chain of links for more than 30 years.

Q. (By Mr. BIRD.) At the time you got permission to increase the capital stock, did the Committee understand that you had this large surplus on hand?

A. Yes, sir, they knew every dollar. Our whole statement was before them.

Q. Was it understood that the new stock you were to issue was to represent a part of that?

A. They understood how much we had paid. This report was published and issued and was before the Committee.

Q. I know; but was it understood that this new stock was to represent this two million surplus?

A. I know of no special conversation as to the two millions. We asked for more. We asked that we might have all our property represented by stock. That the Committee understood, but they did not grant us but two millions for that purpose. I contend that they granted that with a full

understanding, because they restricted only $1,800,000 of the grant. This balance sheet [for 1865] was before them, which showed our profits, and showed what we had in the Albany bridge. We had expended $213,800 up to the first of December, prior to the passage of this Act, and they put into their bill that this covered the expenditure on the bridge. That balance sheet represents our liabilities and assets. That is a full report of our business up to the first day of December, 1865. I do not think any director of the road ever speculated in this stock. I never sold a share in my life. Every share I ever owned, I own now, except what I have given to my children. I never bought a share to sell.

Q. (By the CHAIRMAN.) When you consolidated with the Boston and Worcester Railroad, you paid the stockholders of that road ten dollars a share?

A. Yes, sir.

Q. Where did that money come from?

A. That came from the earnings, or was charged to the contingent fund. We had to give them some money besides to finish paying their dividends. They had not, in their own treasury, money enough to pay their dividends.

Q. (By Mr. NELSON.) Was this transaction of issuing the stock after the passage of the Consolidation Act?

A. Yes, sir.

Q. (By Mr. LADD.) It was just after the adjournment, and before the actual consolidation?

A. Yes, sir; it was a preparatory Act.

RELATION OF BOSTON, HARTFORD AND ERIE RAILROAD TO EXPRESS COMPANIES.

TESTIMONY OF JOHN S. ELDRIDGE.

Q. (By the CHAIRMAN.) I will read an Order that has been referred to this Committee:—

"*Ordered*, That the joint special committee on the investigation of charges against railroad corporations and others, inquire if any contract or agreement has been made by the Boston, Hartford and Erie Railroad Company with any express company, granting such express company the exclusive right to transact express business over the said railroad; and if such contract or agreement has been made, whether any consideration, such as a loan or direct payment of money has been given for such privilege; and also to report what legislation is needed to protect the rights of competing companies and the public from such contracts and agreements."

A. The Boston, Hartford and Erie Railroad has made a contract, but not an exclusive contract, with the Adams Express Company for the term of five years, to be extended over all the lines of the Boston, Hartford and Erie Railroad, as fast as a line is completed. The Boston, Hartford and Erie Railroad pays the Adams Express Company sixty per cent. of the gross receipts upon all express matter, and forty per cent. it has itself. It simply carries on the transportation of express matter. All the business is done by the Adams Express Company, and all the responsibility is assumed by the Adams Express Company.

Q. The express company incurs the risk, you simply do the transportation?

A. We simply do the transportation.

Q. (By Mr. NELSON.) You get 40 per cent.?

A. Yes, sir.

Q. And is that exclusive?

A. No, sir.

Q. (By Mr. LADD.) Do your men or theirs do the business?

A. Their men do the business.

Q. (By the CHAIRMAN.) You shut off every other express company?

A. No, sir, we shut off no company.

Q. (By Mr. BIRD.) As a matter of fact, do other expresses run on your road?

A. Yes, sir. Mr. Leonard was running on our road. The business was done in the name of the Boston, Hartford and Erie Railroad. In some way they had an interest together.

Q. To-day there is no express other than Adams's running on your road?

A. Leonard is running just the same, until his contract expires.

Q. (By the CHAIRMAN.) Then it is no fault of yours that there are not a dozen running there?

A. If they all come, they will all be treated alike

Q. Was any money paid you in consideration of this privilege?

A. Yes, sir; the Adams Express Company loaned the Boston, Hartford and Erie Railroad $200,000.

Q. In consideration of this agreement?

A. Yes, sir, I should say it was one of the considerations which induced us to make the contract with them.

Q. And what interest do you pay them on that?

A. Seven per cent.

Q. And what do they hold?

A. They hold 10,000 shares of the Boston, Hartford and Erie stock, as collateral.

Q. Ten thousand shares owned by the company?

A. Yes, sir. In regard to the other question, as to any of the officers of the Boston, Hartford and Erie Railroad having any interest in the stock of the express company, so far as I am concerned, I never owned a share in the express company in my life, and I believe that to be the case with every other director in the Boston, Hartford and Erie Railroad.

Q. You don't know of any director that owns any of the stock?

A. No, sir. I have heard them say they didn't, and in fact I don't suppose they do.

Q. (By Mr. BIRD.) They have got all their means in the Boston, Hartford and Erie, haven't they?

A. Just about.

FOURTH PUBLIC HEARING.

FRIDAY, May 29, 1869.

The Committee met at 9½ o'clock, and the following witnesses appeared and were sworn:—Robert C. Nichols, Joseph F. Porter, George W. Young, Henry E. Pond, and E. D. Foster.

TESTIMONY OF ROBERT C. NICHOLS.

Q. (By the CHAIRMAN.) Where do you live?

A. Boston Highlands.

Q. What is your occupation?

A. United States storekeeper.

Q. Do you know of any influences which have been brought to bear upon members of the Legislature, or the Legislature itself, which in any way have been exerted to affect legislation or members of the Legislature, in behalf of any corporation which has sought aid or been chartered by the Commonwealth?

A. I have been employed by several railroad corporations for several years past to look after their business before the Legislature.

Q. What corporations?

A. The Old Colony Railroad, the Boston and Providence Railroad, the Great Northern line, the Boston and Maine, the Fitchburg. These are the steam roads.

Q. Any others?

A. The Hartford and Erie. I think that is all, sir. I think I have been employed by all the corporations running into Boston, with the exception of the Western and Eastern.

Q. Any manufacturing corporations?

A. No, sir.

Q. Mr. Nichols, what were you employed to do? What did you understand your business was, as an employee of these several corporations?

A. In the first place, to ascertain the facts on which the corporation that employed me rested their case before the Committee by their counsel, and take those facts and use them to such members of the Legislature as I am acquainted with; to keep the run of the bill after it came from the Committee, its various stages through each branch of the Legislature, and inform the officers of the corporation by which I was employed how it progressed from day to day; and also to ascertain what influences might be at work to defeat their project before the Legislature, and inform them what arguments and influences were made use of by the opponents of the corporation.

Q. What course have you pursued in reference to informing members of the Legislature about the matters which were pending in which you were interested?

A. Merely by personal verbal conversation.

Q. Explanation?

A. Explanation.

Q. What arrangements have you made with these various corporations?

A. Arrangements?

Q. Yes, when they employed you?

A. To do their work and they would pay me for my services.

Q. How was the arrangement made, if you will be kind enough to give the Committee a little history of the manner in which the thing is done?

A. Well, sir, the railroad companies have generally sent for me to come and see them—the officers of the road.

Q. What companies have ever sent for you?

A. I was in the Legislature in 1859, a member from Roxbury, and the following year I had a case in regard to the removal of a depot somewhere on the Northern line. I was employed by Gen. Stark. That was the first lobby case I ever had before the Massachusetts Legislature. I have also been sent by that corporation to Connecticut, to make known some things that occurred before the Massachusetts Legislature in regard to a bill where the parties were defeated, and went to Connecticut and tried to get the legislation there that they were defeated in here.

Q. (By Mr. LADD.) The Northern road?

A. Yes, sir. The Lowell and Nashua and the Concord—what is generally termed the Northern line.

Q. What had the Legislature of Connecticut to do with that?

A. There was one year when there were parties here who wished to get one of the links that make that through line, but they were defeated in such legislation to get one of the links, and they went to Connecticut and sought for it there. That's all.

Q. (By the CHAIRMAN.) What other corporation has sent for you?

A. Well, I have been employed for several years by the Old Colony, both when Mr. Holmes was president of the road and since Mr. Stearns has been president of the road.

Q. What business had they?

A. The first business I was employed by them on was, they had an extension from Fall River to Newport.

Q. And what is the general understanding with these parties when they employ you?

A. They inform me that they are going to have such and such business, and that is all, sir. Then I go about my business attending to their affairs. When it comes before the Committee, I ascertain what are the facts in the case, as their counsel put their case before the Committee, take those facts up and retail them out to my friends and acquaintances in the Legislature, the roads apparently satisfied that I am doing everything I can to watch their interests.

Q. And is the matter of compensation agreed upon beforehand, or afterwards?

A. It is very seldom that it is agreed upon beforehand.

Q. Ever?

A. I think there has been such an arrangement once or twice, but it is very rarely that I have ever made any or been asked to make any.

Q. Do you remember with what parties arrangements have been made beforehand?

A. No, sir, I cannot—it is not generally the way that they engage me.

Q. These are all the influences you know about?

A. That is all I know about.

Q. Never knew of any other?

A. No, sir.

Q. (By Mr. BIRD.) You have spoken only of being employed by railroad corporations. Have you never been employed by other parties?

A. Sometimes, in the matter of the division of towns. I was employed on the annexation of Roxbury two years—my own town.

Q. When did you take office in the custom house?

A. Under Mr. Goodrich; the first year of his administration.

Q. And during nearly the whole of this time of which you speak, you have still retained your office in the custom house?

A. Yes, sir.

Q. (By Mr. LADD.) What did the Old Colony pay you for your services?

A. I think from $200 to $300, as the business might be.

Q. When did they pay you that money?

A. They paid me last year $200, I think. They had little or no business.

Q. Do they employ you this year?

A. I am not strictly employed by the Old Colony Railroad this year—no, sir. I was employed by parties. Mr. Crocker asked for an extension of the road from Taunton to Providence, and I consider that I am in Mr. Crocker's employ, and not the Old Colony.

Q. Did Mr. Crocker pay you?

A. No, sir.

Q. What is the business of Mr. Crocker?

A. He is building a road on his own hook. He was head petitioner for the road from Taunton to Providence.

Q. In the interest of the Old Colony road?

A. I presume it will in the future come into that interest, if it is ever built.

Q. How many years have you worked for the Old Colony?

A. Nine years.

Q. They have never paid you more than $300?

A. No, sir, $300 is the most.

Q. For a single year or for the whole term of service?

A. A single year.

Q. About $200 a year?

A. I think it will average about $250.

Q. You never have anything to do with these matters until the case comes before the Committee?

A. No, sir.

Q. You don't visit the members before the matter is heard?

A. I think it is very bad policy to say anything to the members in regard to a bill which is coming before them until after the Committee report.

Q. And therefore you never speak to them about the matter until after the Committee report?

A. Very seldom, unless I am afraid—merely give a caution; say such a case is coming up, and I would like to have them keep themselves aloof from being biased before the Committee report. That is invariably my practice. I never ask a member for his vote, or inform him about the case until after the Committee make their report.

Q. Then your business is to make known the case to members of the Legislature outside the State House?

A. Yes, sir; and be very careful in giving that information that I confine myself strictly to the facts.

Q. Are you particular to give both sides?

A. No, sir, I don't know that I am, unless it is going to be for the advantage of the side I am at work for; then I give both sides.

Q. You present, then, the case of the Old Colony road, for instance, to the members of the Legislature, not the other side?

A. No, sir; not the other side, unless it is to show that the Old Colony have the best right, from the other side's argument. That is all. I have also worked for the Springfield and Hartford Railroad Corporation.

Q. The Hartford and New Haven?

A. The Hartford and New Haven—I have worked for them.

Q. You solicit votes for the measures you are interested in, do you not?

A. I never asked a man to pledge me his vote, no, sir, never.

Q. (By Mr. BIRD.) It is votes that are wanted?

A. Yes, sir, but I never ask a man to pledge me his vote. I rely upon putting my case in such a way as to influence his favorable opinion upon that side, and there I leave it. Perhaps if I can get an admission from him that I am right, then I consider that he is going to vote for me, but I never solicit his vote.

Q. But you ask him if he will vote for the measure?

A. Not directly. I should think that would be an impertinent question to put to a member of the Legislature.

Q. (By the CHAIRMAN.) You simply give information upon the side that employs you?

A. Yes, sir, and see that our opponents are not using means of an unfair character to influence votes against us, of course.

Q. (By Mr. BIRD.) What corporations or parties have employed you during this session of the Legislature?

A. I was employed by the Fitchburg Railroad, after the case got partially through the Legislature, and I was employed on the Springfield, Hartford and New Haven, and did some work on that, and Mr. Crocker's road. That is all that I have been employed to perform any labor on that I remember of.

Q. And by Gen. Stark?

A. Yes, sir.

Q. (By the CHAIRMAN.) That is the Northern line?

A. Yes.

Q. (By Mr. BIRD.) You say these are all the roads you have been employed to perform any labor on. Do you understand that these are the only corporations in whose interests you have been directly or indirectly concerned this winter?

A. I have been indirectly concerned in the interests of the Metropolitan Railroad.

Q. Employed by them?

A. Retained by them.

Q. In reference to any particular measure?

A. No, sir; and not to be active on any.

Q. Was that agreement made this winter?

A. Yes, sir, it was made before the Legislature met. I presume they didn't wish that I should go with the Roxbury people, on that side, that is all. I considered it in that light.

Q. (By the CHAIRMAN.) In carrying your measures, have you ever resorted to what is popularly denominated log-rolling—putting two or three schemes together and carrying them without regard to their merits?

A. I consider it almost impossible for a corporation seeking legislation in this Legislature to make a log-roll. It is not done by corporations.

Q. Have you been conversant with any log-rolling this winter?

A. Well, sir, I cannot state that I know it positively, but I have good reason to think that I know something about what has taken place this winter in log-rolls.

Q. State to the Committee what you mean?

A. I believe the East Boston anti-ferry interest and what is called the North End Railroad interest came together. I think so from the information that I have been able to obtain merely in conversation with members.

Q. What was the character of the information you obtained in regard to that matter?

A. Well, I heard a remark made by one member of the Legislature in regard to another member of the Legislature in favor of the North End Railroad, that led me to believe there was an understanding.

Q. What was the remark?

A. I was not a party to the conversation. It was merely conversation that took place in the cars going up to Concord the other day, that led me to believe—I can't give any positive information, as I say, but I am of the opinion—

Q. What do you base that opinion on?

A. From this remark made in the cars.

Q. What was the substance of it, as you remember?

A. The degree of interest felt by the friends of the horse railroad in those who were opposed to the ferry company, that is all. If you would like my reasons why I have come to the conclusion that a corporation cannot make a log-roll, I should like to give them to the Committee.

Q. That is all you know about the matter?

A. Yes, sir.

Mr. BIRD. I suppose the Committee know that it is not an unusual thing for parties interested in one scheme to make an arrangement with parties interested in another scheme, by which they support each other. If Mr. Nichols has not done it, he is a very poor lobby man.

Q. (By Mr. LADD.) I think you said you never had?

A. I never have attempted it. I don't consider that it is in any man's power, outside the legislature, to make a log-roll. If you vote for me to-day I have no right to sell your vote to another party to-morrow; I can't do it. That must be a matter of your own.

Q. You can advise to that course?

A. Log-rolls are most generally made by parties whose constituents are deeply interested in the question before the Legislature. If a party comes here seeking for a new railroad, the representatives in the Legislature living in the several towns on that new line, and representing those towns here, feel a deep interest in that measure personally themselves, and their constituents back them up. They are willing to sell their votes for a measure of that kind. But a corporation coming here seeking for legislation have enough to do, I think, to get their friends to vote for them, without attempting to get them to agree to sell their votes to some other corporation to offset it. That is my idea. The members of the Legislature are not sufficiently interested in the corporation to do that. It is only where their constituents are interested in the legislation that is proposed.

Q. (By Mr. BIRD.) Precisely; and therefore would you not, you being employed by the Fitchburg Railroad to defeat the application of the Worcester and Fitchburg road, and being employed by Mr. Crocker to aid his road and defeat the others,—would you not consider it legitimate to say to those opposed to the Worcester and Fitchburg, that if they would vote for Mr. Crocker, Mr. Crocker's friends would probably vote for them?

A. No, sir; because I don't—

Mr. BIRD. I don't want the reasons, I only want the answer.

A. No, sir; I never did that.

Q. (By Mr. LADD.) You don't know that it has ever been done by the lobby at all?

A. I presume it is done frequently by some officers of the road or some one interested; I have never had anything to do with it.

Q. Do you spend much of your time here?

A. After three o'clock in the afternoon, and in the morning occasionally. My business at the Custom House does not require all of my time.

Mr. BIRD. You don't mean to say that you are never up here until after three o'clock?

A. No, sir.

Mr. LADD. I understand, then, that for nine years you have been employed by the Old Colony Railroad, at an average salary of about $200?

A. Yes, sir.

Q. Making $1,800 for the nine years?

A. Yes, sir.

Q. You say you have been employed by the Hartford and Erie road; how long have you been employed by them?

A. I think, two years.

Q. How much did you receive?

A. I can't tell; it is not in my power to tell you.

Q. Don't you remember?

A. I don't.

Q. They paid you something?

A. Yes, sir. I think Mr. Eldridge testified the other day, and the treasurer testified what they had paid me; and I presume they are correct; but it is utterly impossible for me to tell what money I have received, because I make no memoranda; I keep no books.

Q. Can you say about what you received?

A. I think Mr. Eldridge paid me about $250; that is what I think.

Q. Is that all the money you have ever received from the Boston, Hartford and Erie, or from Mr. Eldridge, or any one connected with that road?

A. I received two sums at two different times, for two different sessions of the Legislature, from the Boston, Hartford and Erie Railroad.

Q. How much?

A. I think it was about that each time.

Q. About $500?

A. Yes, sir; that is my impression.

Q. What were you to do for the Boston, Hartford and Erie Railroad?

A. The same as I have informed you that I have been in the habit of doing for other roads.

Q. What year was that?

A. The year before last, 1867.

Q. When was the other?

A. I can't tell when the former year was.

Q. What particular service did you render in 1867?

A. I think in 1867, the principal service that I rendered the Boston, Hartford and Erie Railroad was to run up and down from their office to the State House, and inform them what was the position of the bill at different times. I think that was about the only aid I rendered them.

Q. And you got $250 for it?

A. Yes, sir.

Q. What was the bill that was before the Legislature that year?

A. That year their bill in regard to the State loan was before the Legislature.

Q. And you were to keep the members of the Legislature informed in regard to what they wanted in this matter, and also to keep the Boston, Hartford and Erie Railroad informed of what was transpiring at the Legislature?

A. Yes, sir. But I think the principal service I rendered to the Boston, Hartford and Erie Railroad was, the bill was delayed, kept along for some time, from day to day, and I generally went from the State House to the office of the counsel of the road, and sometimes into the railroad office, and

informed them from time to time what the position of the bill was, and when it would be likely to come up. I think that was the principal thing.

Q. Was there at that time, in 1867, any other application before the Legislature for another loan of the credit of the State to any other railroad?

A. I think there was an application for some other line of road out in Berkshire County.

Q. The North Adams and Williamsburg, was it not?

A. It may be, but I had reference when I spoke to a road in the southern portion of the county,—a short road, in the southern portion of the county.

Q. Is it not a fact that in 1867, the North Adams and Williamsburg road applied for and obtained the credit of the State for about a million of dollars, —the same session that the Boston, Hartford and Erie Railroad obtained their loan?

A. I think you are correct. I should not have thought of the fact if you had not mentioned it.

Q. Do you know anything about it?

A. I know that Mr. Kingman was a member of the Legislature that year, and was urging his bill before the Legislature.

Q. Do you know of any arrangement between the friends of the Boston, Hartford and Erie, and the friends of the North Adams and Williamsburg Railroad, by which each supported the other?

A. I do not, sir.

Q. Do you know of any among the individual members of the Legislature, or the friends generally?

A. I do not, sir. I should consider, Mr. Ladd, that I was doing injustice to the corporations that have employed me, and that I work for, if I undertook to log-roll from one to the other.

The CHAIRMAN. Please to confine yourself to direct answers, so as to make the examination as short as possible.

A. I covered that, sir. I have stated, under oath, in the first part of my testimony, that I never had anything to do with log-rolls, or getting votes from one corporation for another.

Q. In the employment of the Boston, Hartford and Erie Railroad, or any other railroad, when the same thing was wanted by another railroad that this railroad was endeavoring to get, in the fulfilment of your duty as lobbyist, would you consider it improper to go to a senator who favored, for instance, the North Adams and Williamsburg line, and say to him, "Here, we will help you, if you will help us?"

Mr. CHILD. It seems to me that what he thinks is improper is of no importance; the point is, what we think is improper.

Mr. LADD. I propose to get at the precise operation of this lobby; if the Committee do not wish to get it, then I do not care myself to go on.

The CHAIRMAN. If you will ask your questions, that will be the easiest way.

Mr. LADD. I want to know whether that is the legitimate business of the lobbyist or not?

A. I never was employed to do anything of that kind.

Q. Do you know of it being done?

A. I don't know of any man being employed, but I have reason to believe ——

The CHAIRMAN. Never mind about that.

A. Very well; I don't know of my own knowledge of any one.

Mr. LADD. How much did the Boston and Maine Railroad pay you last year?

A. $150.

Q. How much in all?

A. $150.

Q. That is all you have ever received?

A. Yes, sir.

Q. How much did the Fitchburg Railroad pay you?

A. $150 or $200.

Q. That is all they have ever paid you?

A. Yes, sir.

Q. The Springfield, Hartford and New Haven, how much have they ever paid you?

A. That was a $100 job, I believe.

Q. And the Metropolitan Railroad, how much?

A. About a couple of hundred dollars.

Q. Any other railroad that you remember?

A. No, sir.

Q. That is all you remember that you have received?

A. That is all.

Q. Are there no other corporations that you have received anything from?

A. I am not aware of any, sir.

Q. Are you alone in this business, or have you a partner?

A. Well, Mr. Foster answered that question the other day. I answer in the same way: we are generally employed together on the same cases.

Q. And you divide?

A. We don't divide; we make out our bills separate; we don't divide really. We are generally employed together by the same corporations.

Q. Both employed in the same direction?

A. Yes, sir.

TESTIMONY OF JOSEPH F. PORTER.

Q. (By the CHAIRMAN.) Where do you live?

A. South Braintree.

Q. What is your business?

A. The principal part of the time until within two years I have been in the butchering business. I have not so much for the last two years. For the last five years before this, I have been one of the officers here—one of the messengers; up to last year, postmaster.

Q. (By Mr. LADD.) Last year was your first year as a lobbyist?

A. Well, I have never been a lobbyist that I know of; that is, to call myself a lobbyist. I have been round here, perhaps two or three months.

Q. This is your first year of being round here?

A. It is my first year of being round here without any special business.

Q. (By the CHAIRMAN.) Have you ever known any influences brought to bear upon members of the Legislature, or the Legislature itself, by any corporation or any person to affect the acts of the Legislature in any way?

A. No, sir.

Q. Are you employed by any corporation to influence members of the Legislature, or to aid in carrying any measure?

A. No, not in particular; there are one or two parties that I have been looking out some for their interests—railroad corporations.

Q. What parties are those?

A. I don't know that I was really employed; I was not promised anything. Mr. Bullock, of the road I live on, stated to me one day that there had been one or two instances in which matters had been up here, and he wished I would look after them, and let him know as I came down.

Q. He never promised you anything?

A. No, sir.

Q. You have never been paid anything?

A. No, sir,

Q. (By Mr. LADD.) Have you been paid by anybody?

A. Not by anybody. There was one other road. I was not exactly employed, but one of the men spoke to me. I don't know as I expect to get anything, yet I am in hopes I may.

Q. Don't you expect to get rewarded in some way?

A. In one instance I think I may. There is one case that was brought to me, that if you would like to have me state, I should like to. Some month or two ago one of the railroad managers met me, and said he had a case here; that he thought there was "a cat in the meal," and he wanted me to post him. He said he had a case here about taking some land down in the lower part of the city. The railroad committee had had a meeting, and they had agreed on a bill; had reported a bill; and it had gone to the Senate. But one of the Harbor Committee had been in there, and tried to get them to refer the bill back to the Committee, He didn't succeed there, but when it got into the House he tried very hard, and made a promise that it should not be injured, and if they would refer it to the Committee, he would see that everything was all right. He stated that he had been before them some thirty days, and he thought there was "a cat in the meal," and wanted me to look after the matter. I found there was a bill they wanted to pass through, and they wanted this bill to force it; and that was the real point. He wanted me to look after that. I didn't state to him what I should charge him for it; but I found it to be very much as he said, that there was evidently a disposition on the part of some individuals to drive that bill through.

Q. That was the "cat"?

A. That was the "cat." He didn't ask me to do anything or to use my

influence in particular; he merely wanted me to look after that, and I told him I would.

Q. You expect to be paid for it?

A. I ought to be, because I worked well.

Q. The question is, whether you expect to be paid?

A. Yes, sir; certainly I do.

Q. Is that the only thing you have had here this winter?

A. I think it is, under the head I am called here. I understand I am called here to answer questions in regard to railroads, and other corporations.

Q. It covers other persons and parties too.

A. No, sir; I don't understand it so; I think it merely says—

The CHAIRMAN. Answer the question.

WITNESS. Here is my summons, "To influence legislation in behalf of railroad corporations." I don't see anything that says anything about other parties.

Q. Do you object to answering questions in relation to other parties?

A. I do object; but if the Committee decide that I shall answer questions upon other matter, I certainly shall. The summons certainly does not say so; but I will answer any question that is proposed.

Q. Answer the question that is proposed.

A. Yes, sir, I have.

Q. (By Mr. LADD.) Will you name them?

A. I was employed in the case of the town of Malden.

Q. On which side?

A. The petitioners for the division.

Q. How much did they pay you?

A. I was paid $300.

Q. What was your business? what were you to do? what did you do?

A. Well, I didn't deem it my duty to do anything, except to present the case of South Malden; that is, the particular points in their behalf.

Q. Did you do anything else?

A. No, sir.

Q. Did you try to get anybody to vote for your side on that question, in consideration of anything you would do on any other question?

A. I will make one statement for the whole: that I have never asked a man's vote on any question during the winter. I have been to him, and stated to him the points in different cases; but I have never deemed it my duty or privilege to ask him to give me his vote; but simply to give him my views upon the question and say to him I should be perfectly satisfied with his decision after hearing the case.

Q. Have you been employed in any other case?

A. Well, yes; I think there was one.

Q. What was it?

A. The case of moving the West Roxbury depot.

Q. In favor or against it?

A. Against the removal.

Q. What were you paid?

A. I declare I forget now.

Q. Well, you have been paid something?

A. Yes, sir.

Q. You don't know how much?

A. I don't think I can tell. I make no minutes. I didn't get anything very alarming; it was perhaps just enough to buy my bread.

Q. Anybody else?

A. No particular case that I have in my mind now.

Q. Well, is there, or is there not, any other case in which you have been interested?

A. In two or three cases I have worked for nothing. That is my public spirit.

Q. What are the cases which you have worked in for nothing?

A. Well, I have been very active against the lager beer question—very active in that.

Q. You have not been paid anything for that?

A. No, and I don't expect anything—I have done that freely.

Q. Who employed you?

A. Nobody; it was voluntary on my part.

Q. Is that all the cases?

A. That is all the cases that I recollect of. I don't recollect any other one in particular.

Q. Did you name the railroad director who employed you in this matter that you have mentioned here?

A. Well, I was talking with Colonel George and General Stark; they were talking the matter over, and they simply said to me, "We would like to have you just look at this." They didn't promise me anything.

Q. Did that have anything to do with increasing the terminal facilities down here in Boston?

A. No, sir.

Q. You don't remember what they were going to pay you?

A. I have stated to you that I don't know as they will pay me anything.

Q. But you think you deserve it?

A. I think I deserve it, certainly; I worked well.

Testimony of George W. Young.

Q. (By the Chairman.) Your residence, Mr. Young?

A. Lowell.

Q. Your business?

A. I have been formerly in the custom house; since that time I have been at No. 3 Tremont Row, with Messrs. Shaw & French, until they dissolved—in the real estate business.

Q. Have you had any business, directly or indirectly, about the State House?

A. Yes, sir.

Q. Of what character?

A. I came here for the citizens of Lowell in the first place, in the interest of having a portion of Tewksbury annexed to Lowell; that was the first business I had in the Legislature. The next question was the annexation of Charlestown to Boston. My county was opposed to that, and I came here to defeat that project.

Q. As a citizen of the county?

A. As a citizen of the county. That question was decided two months or six weeks ago.

Q. Have you ever known any special influence brought to bear upon members of the Legislature, or the Legislature itself, in carrying particular measures or questions?

A. I have never known of any.

Q. (By Mr. LADD.) Have any parties paid you anything for your services in the case of Tewksbury and Lowell?

A. I have never had anything, sir.

Q. Any promise of anything?

A. Well, sir, not really a promise. There were parties that wanted me to come and take hold of that measure, and to carry it through. I don't remember that they made me any promise at all; and I don't know that I am ever going to receive a dollar for that measure.

Q. Do you, or do you not, expect anything?

A. Well, they were defeated in the project, and I don't know that I shall ever receive anything. I shall never ask them for a cent.

Q. Do you propose to pay your expenses here?

A. I have paid my own expenses.

Q. Do you expect to?

A. In regard to that matter,—I have had some other matters,—but in regard to that matter, I don't know that I shall ever receive anything. I don't really expect to receive anything. But if the question ever comes up, I shall be ready to take hold and help them again.

Q. How about the annexation of Charlestown?

A. I was never employed by any parties there.

Q. Ever been paid anything?

A. No, sir.

Q. Ever expect anything?

A. I should think they ought to pay me something—I shall expect it.

Q. Anybody ever promise you anything?

A. No, sir.

Q. Any other cases?

A. I have had my own railroad.

Q. What road is that?

A. The Boston and Lowell.

Q. Are you a stockholder or director in that road?

A. No, sir, I am not; but I live on that line.

Q. What is your business in connection with that here?

A. I have always had an interest in that road, as others have who have testified here.

Q. What is the particular thing you have been interested in ?

A. In the terminus of the Boston and Lowell road.

Q. In favor or against ?

A. In favor of it.

Q. Have you got anything for it ?

A. No, sir.

Q. Expect to ?

A. Yes, sir.

Q. How much ?

A. I can't tell. But I have done pretty good service.

Q. Any particular understanding about it ?

A. No, sir.

Q. Do you keep any account of your services ?

A. No, sir.

Q. Is that the only one ?

A. I have been employed by the Fitchburg road in a little business which they have had.

Q. What was their case ?

A. Their case was in regard to the depot at Fitchburg.

Q. In favor or against ?

A. I was employed by the Fitchburg road.

Q. What have they paid you ?

A. Nothing.

Q. How much do you expect ?

A. I expect they will pay me something ; I have no idea what, because I have never had anything for the Fitchburg Railroad but once before, years ago.

Q. Did you make out any bill ?

A. No, sir—I went there and they paid me.

Q. You didn't present a bill ?

A. No, sir. I had one or two measures for them.

Q. You don't know how much they paid you ?

A. I don't. It was some two or three hundred dollars.

Q. Are there any other persons, parties, or corporations, that you have acted for this winter ?

A. I think I have done something for the Hartford and New Haven.

Q. What did you do for them ?

A. I was in favor of the consolidation of those two roads.

Q. Just state what you did, if you can ?

A. I didn't have much to do in that case in the House, because the parties thought that the measure was understood in the House, and would pass without any help from anybody ; or without any from me. The parties in the House thought they had strength enough to pass that measure.

Q. Did you work in the Senate ?

A. I should have explained the position of the case if it had come to the Senate.

Q. Did you do anything in anticipation that it might ?

A. I think I said something to some of the senators in regard to that measure, because I believed it to be a just thing.

Q. Did they pay you for it?

A. No, sir.

Q. Are they to pay you for it?

A. I think not, according to what they said to me.

Q. Did you volunteer to do that work?

A. No, sir.

Q. Was any promise made to you?

A. I think there was something said in regard to my receiving something if this measure was carried.

Q. How much?

A. I think $100.

Q. If it was not carried?

A. I was to receive nothing.

Q. So that was an unprofitable speculation?

A. Yes, sir.

Q. Well, sir, is there any other?

A. I don't know, so far as corporations go.

The CHAIRMAN. Mr. Ladd's questions covers parties, persons, towns, cities, gas companies, railroads and everything of the kind.

A. I was interested in the division of the town of Malden.

Q. (By Mr. LADD.) Which side?

A. I went in for the petitioners.

Q. Did you get anything for that?

A. I think I received $50. I think we should have been able to have carried that project, and it ought to have been carried really, if it had not been for some outside pressure.

Q. Will you just make known to the Committee, if you please, what that outside pressure was?

A. I don't know anything further than I have heard that it was personal influence that was brought to bear upon members. I have been told so; whether that is true or not I am unable to say.

Q. We are not confined here to the strictest rules of legal testimony, I suppose; if you can give us some information upon that point, for one, I should like to hear it.

A. I believe that was a case where the town should have been defeated, and South Malden should have been set off.

Q. Well, what was the outside pressure?

A. I should say it was more inside pressure.

Q. Well, inside pressure?

A. It was persons who really thought the town should not be divided, and they went to parties to say that on personal grounds they hoped they would vote against it.

Q. Members of the Legislature?

A. I think so, sir.

Q. Any of the lobbyists?

A. I don't know. I don't know what lobbyists were engaged for the town of Malden.

Q. Can't you give us the information you have in regard to this inside pressure?

A. I don't know anything about it except from hearsay.

Q. (By the CHAIRMAN.) Do you know of there being any money paid either for or against the measure?

A. No, sir; I don't know of anything. I was not interested greatly in the matter.

Q. Have any other parties or persons employed you?

A. No, sir.

Q. (By Mr. LADD.) Is there any other cases in which you have been engaged where you received pay, or expect to?

A. Well, I have not made any bargain with any parties for pay on any question which I have been engaged in.

Q. (By the CHAIRMAN.) You mean to say simply this: that you have rendered some voluntary services, for which you may be paid something?

A. They may pay me something.

Q. Will you tell the Committee to what parties you have rendered voluntary service?

A. I have rendered a good deal of service this winter that I expect never to receive any pay for. I have done something for Mr. Crocker.

Q. (By Mr. LADD.) What Mr. Crocker is that?

A. The petitioner for a line of railroad from Taunton to Providence. I was interested in that.

Q. (By the CHAIRMAN.) Any other?

A. I was interested in the removal of the Roxbury depot.

Q. (By Mr. HURD.) For or against?

A. I was interested against the removal of the depot.

Q. Employed by the railroad company?

A. No, sir; I was not.

Q. (By Mr. LADD.) Did you get anything for it?

A. I did, sir.

Q. How much?

A. I think they paid me $125.

Q. (By the CHAIRMAN.) This year?

A. Yes, sir.

Q. Any other case?

A. I don't seem to recollect.

Q. Did you have anything to do with this Granby matter that made so much fuss here?

A. No, sir; I was asked to on both sides.

Q. Were you offered any money on either side?

A. No, sir. I thought I might just as well lie still, and not make enemies on either side.

Q. Why did you fear to make enemies?

A. There were friends of mine on both sides. I didn't know how that case stood. I believe the Committee should never have reported a bill.

The CHAIRMAN. No matter about that.

Q. (By Mr. LADD.) Were you afraid of personal enemies, or enemies to the measures in which you might be interested?

A. I didn't care anything about the matter; therefore I made up my mind to have nothing to do with it.

Q. Was it because you didn't wish to make personal enemies, or enemies of any particular measure you wanted to carry?

A. It might cover both cases. I didn't want to have anything to do with it, on one side or the other, to make enemies.

Q. Personal enemies, or enemies of any measure?

A. No, sir; I didn't want to have anything to do with it.

Q. Any other case?

A. Yes, sir; the consolidation of the South Boston and Metropolitan Railroads.

Q. Were you in that?

A. Yes, sir.

Q. Which side?

A. I went in for the consolidation.

Q. Receive anything for it?

A. No, sir.

Q. Expect to receive anything?

A. I do.

Q. How much?

A. I don't know. I expect to be paid for my services a fair compensation.

Q. (By the CHAIRMAN.) Won't you tell the Committee what you mean when you say you expect to be paid for your services?

A. I brought in some five or six hundred names for the consolidation of those two roads. They were from the city of Lowell, and from the towns on the railroad running from this city to Lowell.

Q. How came the city of Lowell interested in that question?

A. They believed in the consolidation; and not only the Lowell Railroad, but the Fitchburg and Eastern Railroads; they believed it would be for the benefit of the Lowell, and all the depots at the North End. We could take the cars there and go to South Boston without change of cars, and without paying an extra fare. And on that ground I had the petition signed in the city of Lowell by some five or six hundred. And I could have got four times that amount if I had had a chance. I got the names in the cars, and almost every single man that comes to Boston was ready to sign that petition.

Q. (By Mr. LADD.) Who do you expect to pay you?

A. I don't know; somebody employed me, who said it was in the interest of those roads.

Q. Do you know whether it was steam railroads, or horse railroads, or individuals?

A. I was employed by parties living on the line of the Fitchburg Railroad to get up those petitions. That was all I ever did.

Q. Who are the parties?

A. Mr. George Heywood, of Concord, wanted me to get up the petition.

Q. Is he interested in the Fitchburg Railroad?

A. Yes, sir.

Q. Stockholder or director?

A. I think he is a stockholder and counsel for the Fitchburg Railroad.

Q. Any other case?

A. That is all, sir.

Q. You are living on great expectations here, in a measure, and I want to know who you expect you are going to get pay from?

A. I have never been a man who has been to the State House before this year but a very little; I never have spent more than an hour in a day here at any time before this winter. I have had business here this winter, and I expect for the services I have rendered I shall receive something. I should not come here to spend my time unless I did.

Q. At the close of the session, you expect to get paid?

A. Yes, sir.

Q. If we ever leave here, you suppose you will get something?

A. Yes, sir; I have not yet. I wish you would pass a bill requiring that every corporation or individual that hires us, or has us do anything for them, should be obliged to pay us. That is what I should be pleased to see. I never have approached a man improperly, or done a thing that I should be ashamed of, since I came here; and when I do, I shan't come here.

Q. (By the CHAIRMAN.) As a general thing, have you been employed in accordance with your convictions, or against them?

A. I have been employed to do what I thought was right.

Q. Would you not as soon have worked against a corporation as for it if you had been employed for that purpose?

A. No, sir; I won't work against my own railroad; and I had rather work for the city than be against the city.

Q. You have generally worked according to your convictions of what was right?

A. Yes, sir.

Q. (By Mr. HURD.) How in regard to the division of Malden; if the remonstrants had proposed to employ you, wouldn't you have worked for them?

A. My convictions went the other way.

Q. If they had applied to you first, would you have worked for them?

Q. (By the CHAIRMAN.) In other words, would you have been employed by the other party?

A. On that question I think not; I should have gone for the division.

Q. (By Mr. HURD.) Should you have refused to have been employed by the remonstrants against that petition?

A. Well, I had something that was similar to that question when the city of Lowell—

The CHAIRMAN. Will you be kind enough simply to answer the question?

WITNESS. I might, if I didn't know anything on the other side. If they had wanted me to work for them I might have done it.

Q. So that your convictions in regard to the justice or propriety of measures are governed somewhat by the party who employs you?

A. A pretty good fee is a large inducement for a man.

Q. You think it would help conviction sometimes?

A. Sometimes it does.

TESTIMONY OF E. D. FOSTER.

Q. (By the CHAIRMAN) Where do you live?

A. In Cheshire, Berkshire County, six months of the year, and in Boston the rest.

Q. What is your occupation?

A. I am a fancy farmer on a small scale. I keep fancy stock. I have got a few acres of land, and I raise my potatoes, corn, and other vegetables, and keep fancy stock.

Q. (By Mr. LADD.) All kinds of fancy stock do you have?

A. I don't know what you mean by the term, "all kinds of fancy stock."

Q. Well, cattle, horses, fowls.

A. I don't deal in fowls.

Q. (By the CHAIRMAN.) You have been engaged about the State House more or less?

A. Yes, sir—for several years.

Q. Have you ever been interested in any schemes, or known of any schemes, being carried through by the log-rolling process—that is, by putting two or three schemes together, and carrying them without regard to their merits?

A. If you will allow me, last year there were a number of curious schemes in the Legislature, and a close observer of the House of Representatives could not have helped seeing, that upon certain questions, the same men always voted together. For instance, in the Wakefield matter, that was up last year, a certain set of men voted in favor of that bill, and a certain set of men voted in favor of the East Boston Bridge bill—the same men almost identically. So of several other matters that were in the House at the same time. Either one way or the other, a certain set of members were always together. The Committee are aware of this fact, that you get twenty-five men into the House of Representatives who are united upon some particular measure, and they are an immense power, if they see fit to use that power; if they are ready to enter into a combination among themselves with any parties who have other schemes. They say, "You give us your votes for our measure, and we will give you twenty or twenty-five for yours" It is a very easy matter in a day or two, or a few days, to make up a combination of different measures which will be a great power in the House of Representatives.

Q. Have you ever been engaged in such combinations?

A. No, sir.

Q Do you know of your own knowledge of any parties who have been engaged in making such combinations, either this winter or last winter?

A. No, sir. I can say that I heard a member say, the other day, in regard to a certain measure, that they thought they should succeed in putting that through in connection with another; but who the member was I can't tell.

Q. What was the measure he was speaking of?

A. I can't tell; I think I spoke to you about it the other day, and told you the case. Allow me to say, that I have a great many subjects on my mind in connection with the Legislature, and I don't call that to mind. I can't answer it, sir.

Q. What was the measure that it was to be carried with?

A. I don't know.

Q. (By Mr. LADD.) Was the East Boston Ferry one of the measures?

A. I don't think it was, sir.

Q. Was the North End Railroad one of them?

A. No. I don't think I can tell you. It was a man who was standing at the head of the stairs; I went to him to get him to go for some measure in which I was interested, if he could see it right, and wanted to explain it to him.

Q. And what did he say?

A. He was busy. A great many of the members are busy at times in their little private schemes inside, and they don't have time—

Q. What connection had that with it?

A. There were other parties with him at the time, and he could not give me his time for five or ten minutes, which I should have liked very much.

Q. Do you know any lobby member who has been engaged in forming these combinations?

A. I do not. I don't think they could do it if they were disposed to. They might possibly get two or three men.

Q. (By Mr. LADD.) How long have you been a member of the lobby, so called?

A. Well, it is nine or ten years, I guess, since I first entered into the lobby and made it a profession.

Q. Have you been here every year since?

A. Yes—no, not every year; one year I was in the House of Representatives, a member.

Q. Were you here in 1867?

A. Yes, sir.

Q. Who employed you in 1867?

A. I think I answered that the other day. I was employed by pretty much all the railroads that had any business before the Legislature.

Q. Were you employed by the North Adams and Williamsburg?

A. No, sir; they were not a corporation; they were endeavoring to be a corporation.

Q. Were you employed by the Boston, Hartford and Erie?

A. I think I was employed by Mr. Eldridge, and Mr. Eldridge paid me.

Q. The North Adams and Williamsburg road applied here for assistance from the State in 1867, didn't they?

A. Yes, sir.

Q. Did the Lee and New Haven road?

A. They did, I believe. I think it was in 1867 they applied for a loan.

Q. (By the CHAIRMAN.) Were you employed by them that winter?

A. If I could have had my own way, I should have been very happy to have killed the Williamsburg road, because I think it would injure the tunnel.

Q. You were interested for the tunnel?

A. Yes, sir; and always have been.

Q. Have you ever received anything for that?

A. No, sir, I have paid out a thousand dollars where I have not received a cent. I live in the tunnel district. They would no more think of coming to employ me or paying me for working for the tunnel than they would employ me to carry bread to my family; not a bit.

Q. You were employed by the Boston, Hartford and Erie Railroad, in their interest, to obtain the State loan?

A. Yes, sir; Mr. Eldridge employed me.

Q. What did you do in that connection?

A. Just what I do in all cases. I stated the case to the best of my ability to the members of the Legislature who didn't have an opportunity to hear it in committee, at all times, in the State House, at hotels, or on the street; wherever I met them.

Q. Was the tunnel at that time in the Legislature; did they have any project here?

A. Yes, sir.

Q. What were they trying to do at that time?

A. I think it was to get their usual annual appropriation from the State.

Q. Did you have anything to do with connecting the tunnel project with the loan to any other railroad?

A. No, sir.

Q. The Boston, Hartford and Erie?

A. No, sir. If there was any connection of that kind, it was made by the members of the House.

Q. Do you know of any?

A. I do not, sir.

Q. Do you know that the tunnel interest voted with the Boston, Hartford and Erie interest?

A. I do not know it.

Q. Or *vice versa?*

A. No, sir, I do not. I think they didn't in either case go in a body; I think they were divided in sentiment upon that as upon many other questions.

Q. Do you know how the senators and representatives from Berkshire County voted on that loan to the Boston, Hartford and Erie Railroad?

A. I know Mr. Bowerman was very much opposed to it.

Q. To the loan to the Boston, Hartford and Erie?

A. Yes, sir, and was determined to fight it, too. I think he would have made a speech in the Senate if he had not been exhausted entirely by a lengthy and earnest speech the day before upon another matter.

Q. Do you know that he had prepared a speech against it?

A. Yes, sir, I think he had got it partially prepared; but I don't know.

Q. Do you know or not that he was prevailed upon not to deliver that

speech, in the interest of the North Adams and Williamsburg road, or any other?

A. I don't; I know I urged him very hard indeed not to make it. I labored very earnestly with him not to do it. As he was my senator, or the senator from my district, I had a right to go to him, and I urged him strenuously not to oppose the passage of the bill.

Q. What was the subject he talked upon the day before that so exhausted him?

A. I think it was the annexation of Roxbury to Boston; it was a matter in which he was very deeply interested, and it was a lengthy and very laborious speech. He was chairman of that committee, I think.

Q. Did Mr. Bowerman vote for or against this loan, do you know?

A. I don't remember; if he voted at all, I think he voted against it. I am not positive he voted at all.

Q. How did the other senator vote? Was it Governor Tucker?

A. It was Mr. Tucker, I think.

Q. Do you know how he voted?

A. No, sir; my impression now is that he voted for the bill; but I am not positive.

Q. Do you know that Mr. Jonathan E. Field was here at that time during the session?

A. No, sir; I don't remember of seeing him.

Q. You don't remember of his being here?

A. No, sir. I think some one has testified that he was here; he may have been here; it is not in my mind.

Q. You don't know of any influences he brought to bear upon senators?

A. I don't. If he was here, I have no doubt he exerted his influence in favor of the parties who employed him.

Q. In favor of the loan?

A. Yes, sir. But I don't remember of his being here?

Q. Do you know Mr. Gillette, another western lawyer who was here?

A. Mr. Gillette has been here more or less for a number of years.

Q. Do you know whether he was here in 1867?

A. I think he was. I think he was here in connection with the Canal road. He is their attorney, and they have more or less legislation.

Q. Was he, or was he not, employed to your knowledge, or did he, or did he not, act in favor of the loan project?

A. I never had any conversation with him about it.

Q. You have nothing to do with log-rolling?

A. Why, no, sir; I could not make a log-roll any more than I could make a baby without the materials.

Q. (By the CHAIRMAN.) You heard Mr. Nichols' testimony in regard to who had employed him this year?

A. No, sir; I was out at that time, I think.

Q. The same parties that employed him have employed you, have they?

A. Yes, sir. For the last six years, I think, we have been employed by the same parties in every case but one.

Q. You may mention the names of the parties who have employed you this year before the Legislature?

A. I consider myself employed by Mr. Crocker. I have not received anything from either of these parties.

Q. What Mr. Crocker?

A. The Taunton and Providence man. By the Fitchburg road, and by the Boston and Lowell road.

Q. In the matter of town annexations, or anything of that kind?

A. Yes, sir, I was in this West Roxbury case; I was engaged there.

Q. Any other?

A. And in the South Malden.

Q. For or against it?

A. In favor of the division.

Q. Any other?

A. No, sir; I don't think of any.

Q. Do you know of any money that has been paid any parties, either for or against the division of South Malden, except the money paid to you, if any was paid you?

A. No, sir. They paid me.

Q. What did they pay you?

A. I think it was $125; something in that neighborhood; a small amount, sir.

Q. And you don't know of any money paid to any other parties for or against it?

A. No, sir.

Q. Do you think of any other corporation, persons or parties, that have employed you this winter?

A. No, sir.

Q. (By Mr. LADD) The Boston and Maine or Eastern roads?

A. No, sir; I testified before that I believed all the railroads except the Eastern have in the course of time employed me. The Eastern never has.

Q. (By the CHAIRMAN.) I was confining the question to this year.

A. No, sir—it has not this year.

Q. (By Mr. LADD.) Have you had anything to do with increasing the terminal facilities of the Boston and Lowell Railroad?

A. Yes, sir; I have been for a number of years with the Boston and Lowell road, and done all I could.

Q. How much did you get for the West Roxbury job?

A. I can't tell you exactly. If I am not mistaken, it was $150; but I am not positive. I think that was the sum.

Q. Did you divide that with Mr. Nichols?

A. No, sir; Mr. Nichols got his pay, and I got mine. We generally get the same sum of money.

Q. (The CHAIRMAN.) You each make out a bill?

A. I make out my bill.

Q. (By Mr. LADD.) The money don't all go into one treasury, and then you divide?

A. No, sir; it is not the same bank account.

Q. How much have the Boston and Lowell paid you?

A. They have not paid me anything.

Q. How much do you expect they will pay you?

A. According to the amount of labor. When I get through I shall make out my bill, and I expect they will pay me.

Q. Have you no sort of idea how much it will be?

A. No, sir, I have not. It will depend upon the amount of work I do. If I have any additional work for them to do, or if they have anything they want done at the Legislature that I can do, I shall probably do it in a proper manner, and when I get through I shall make out a proper bill for them to pay, and I am satisfied they will pay it.

Q. (By Mr. BIRD.) Did they employ you this year?

A. Yes, sir.

Q. On any special measure or a general retainer?

A. A general retainer.

Q. To work in their interest in all matters?

A. Yes, sir.

Q. (By Mr. LADD.) How much has Mr. Crocker paid you?

A. Nothing. I have not made out my bill.

Q. You expect he will pay you?

A. Yes, sir.

Q. Can you say what the amount of the bill will be?

A. No, sir.

Q. Do you work by the day, or by the season?

A. I don't know but I take the lawyer's rule: I make out my bill when I get through, and put down what I think I ought to have.

Q. It depends something upon the length of the session?

A. Yes, sir.

Q. What has the Fitchburg Railroad paid you?

A. They haven't paid me anything; the same rule applies.

Q. (By Mr. HURD.) Are you employed on special cases, or retained generally?

A. It has been in this way in the past: a president, or some of the directors, has said, "We shall probably have occasion for you."

Q. How is it this year?

A. The same this year.

Q. (By Mr. LADD.) Does your railroad employ you this year?

A. My railroad don't employ me to do anything; I am engaged not to do anything.

Q. Do they pay you for that?

A. I hope they will. They have not set me at work.

Q. You are annually employed here?

A. Yes, sir.

Q. Sort of retained right along during your natural life?

A. Yes, sir; the present indications are it will be during my natural life.

Q. (By the CHAIRMAN.) You act as counsel, or attorney, without having a lawyer's license?

A. Yes, sir.

Q. That is the whole of it?

A. Yes, sir.

Q. (By Mr. LADD.) For the purpose of giving information to members of the Legislature.

A. Yes, sir.

Q. (By the CHAIRMAN.) You have used the word "work," and used the word "employed"; now will you state to the Committee what you understand to be the work you are employed to do?

A. It is to learn the case, in the first place, as far as possible, from investigations before the Committee; and if anything more is necessary, from the parties; and explain the case to the members of the Legislature of my acquaintance. Then I keep them, as far as I am able, aware of the condition of their matters, whatever they may be, while they are before the Committee, and under consideration before either branch of the Legislature.

Q. (By Mr. HURD.) Is it part of your business also to solicit votes upon particular measures?

A. No, sir; I never solicited a vote, I think. When I go to a man and ask him for his attention, if he will grant me his ear for a moment, or a few moments, it is my custom to say, "I hope this will meet with your approbation, sir, sufficiently to induce you to give it your support."

Q. You generally explain it to him until you are satisfied from his answer how he is going to vote upon it?

A. No, sir; not always.

Q. Is it your custom to count noses, or count the votes you can rely upon?

A. No, sir. Sometimes in the Senate, where there are but a few members, from what I have heard myself, and what I hear from others, I make my calculation, or estimate, how the vote will go.

Q. Is it not a part of your business to "prospect" in that way, and ascertain what strength a measure may have? what votes it may rely upon?

A. No, sir. Most of the corporations and parties have counsel who make that a part of their business. That is the special counsel, or lawyer, who appears before the Committee. They very rarely leave a thing without having some party to attend to it and watch it.

Q. Do the counsel act directly upon the members, or act through you, or others?

A. I don't know how that is; I don't know whether they act directly or not.

Q. Whether or not you are ordinarily under the direction of the counsel for the corporation?

A. Always, sir.

Q. That is, you go between the counsel, the corporation, and the members?

A. I look upon the party who appears before the legislative committee, makes the argument and examines the witnesses, as being more directly the special agent of the parties for whom he appears; and if he comes to me, and suggests anything that is proper to be done, I receive his suggestion, and act upon it if I can.

Q. (By the CHAIRMAN.) Are your convictions generally with the cases in which you are employed?

A. Yes, sir; I mean they shall be, because I mean to act upon my judgment; and there is no special object for a man who desires to be a continuous lobby man to take money of a party for the express purpose of being defeated; and if he does not exercise reasonable judgment in the matter, he will be very likely to be defeated more times than he will be successful.

Q. (By Mr. HURD.) Do you mean by that, that you prefer to be retained by the side that will probably win?

A. I should, sir, very much.

Q. Do you mean the Committee to infer that if you were satisfied a measure could not go through, you would decline to be employed upon that side?

A. I would, most certainly; I have done it many times in the State House.

Q. This year?

A. Yes, sir, this year.

Q. (By the CHAIRMAN.) Will you repeat your answer?

A. I say I would decline a case which my own judgment convinced me would not pass, that is, by fair means; I would decline that case.

Q. You mean you would not aid forward any measure by unfair means?

A. No, sir. I consider the means I use perfectly fair.

Q. Or by any means that would be considered outside dishonorable?

A. Yes, sir.

Q. All such means you would decline using?

A. Yes, sir.

Q. And money would not influence you?

A. It would not. I think a good case is entitled to a prospect of success.

Q. (By Mr. HURD.) Won't you explain to the Committee whether or not your refusal would be influenced by your judgment upon the prospect of success?

A. I will refer to a case, without stating it. Two years ago, a gentleman came into the State House desiring to get a certain law repealed that had been passed by the Legislature several years before. He came to me with a proposal to aid him. I told him I could not do it. He persisted in coming to me almost every day for a fortnight, offering his money, and insisting upon it that I should take it. Finally, I told him that it was impossible, as the Legislature would not repeal that law—he could not get it repealed, and the best thing he could do was to put his money in his pocket and go home, for it would be a waste of his money, and it would certainly be a waste of my time; and that his money would not pay me to enter upon his measure for the express purpose of being defeated. I think lawyers always like to be on the strong side if they can.

Q. You have the same professional feeling?

A. Yes, sir.

Q. You would like to be on the winning side?

A. Yes, sir.

Q. And if you can find out which it is to be, you prefer to be employed on that side?

A. I try to exercise my judgment in the matter. I was applied to this year to oppose the annexation of the city of Charlestown, when I was not employed on the other side. I labored very hard and very earnestly two years in succession, (I believe they were in succession,) for the annexation of Roxbury. I believe in the general principle of annexing the surrounding territory to Boston. And I refused a fee from the opponents of the annexation of Charlestown.

Q. (By the CHAIRMAN.) This year?

A. Yes, sir.

Q. How large a fee did you decline?

A. The fee offered me was $100.

Q. And you declined it?

A. I did, sir. No money was paid to me on the other side; and no proposition was made to me.

Q. (By Mr. HURD.) You stated that you worked in favor of the petitioners for the division of the town of Malden?

A. I did, sir.

Q. You were retained by them?

A. Yes, sir.

Q. If the remonstrants against that petition had come to you with a proposal to employ you, would you have refused to be retained on that side?

A. I could not well be retained if they had come to me, but they did not come to me; my sympathies were in favor of those people in South Malden. I had been among them, and had heard their story so much, I could not have taken a retainer from the other side.

Q. Whether or not you had been employed in previous years by them?

A. No, sir, I think not.

Q. I mean by those who were desirous of obtaining the division of the town?

A. Yes, sir.

Q. Assuming that it was a new question this year?

A. No, sir; as I had had my sympathies with them so much, I think I should have declined to take a retainer. That is my present view of it.

Q. Then the rule "first come, first served," does not apply to you?

A. Not in all cases. I think good lawyers adopt the same rule that I adopt, of rejecting what in their judgment are poor cases.

Q. (By Mr. LADD.) Did you have anything to do with the town of Granby matter?

A. Yes, sir, I did. I should like to say to the Committee that I threw away $200 or $250 in that case. I felt very friendly to those men; I knew quite a number of parties on that territory, and had an earnest feeling of friendship for them. When they came down here, I early interested myself with considerable feeling in the case, and did the best I could.

Q. On which side?

A. In favor of the petitioners. I did the best I could to aid them in getting their measure through the Legislature.

Q. Have they paid you anything?

A. No, sir, and never proposed to pay me anything.

Q. How was it that you threw away $200 or $250?

A. I think I could have taken a fee on the other side.

Q. Are you sure of it?

A. No, sir; but I think I could.

Q. Did any one speak to you about it?

A. Yes, sir.

Q. What did they say?

A. They asked me if I could be employed. I told them I was interested on the other side.

Q. That was a voluntary interest—your own free will?

A. Yes, sir.

Q. Without compensation or hope of reward?

A. Yes, sir.

Q. (By Mr. HURD.) It was on account of your personal relations to the petitioners?

A. Yes, sir—personal friendship.

Q. (By Mr. LADD.) Do you know any lobbyist who was employed by the town of Granby?

A. No, sir—I know that the town of Granby was said to have voted $2,500—

The CHAIRMAN. Never mind that.

Mr. LADD. Is there any member of the lobby who was employed here by the town of Granby?

A. I don't know, sir.

Q. Do you know which side Mr. Charles Porter was on?

A. I don't know, sir.

Q. Any other matters in which you have been interested this winter?

A. I don't think of any at present. I am in hopes I shall have; if the Legislature continues three or four weeks longer, I hope there will be some new business; the old matters are pretty much through.

Q. (By Mr. HURD.) You hold yourself in readiness to be retained by parties who make you proposals?

A. Yes, sir.

Q. Is the business of your house so well advanced that you think you will adjourn if the Legislature does not get some new business?

A. No, sir—we never adjourn until a week after the other branches.

TESTIMONY OF HENRY E. POND.

Q. (By the CHAIRMAN.) Where is your residence?

A. Franklin.

Q. What is your business?

A. Inventor.

Q. Have you been engaged more or less about the State House as what they call a lobby member?

A. Yes, sir.

Q. Have you ever known of any particular influences that have been

brought to bear on the members of the Legislature, or upon the Legislature itself, to carry any measure?

A. No, sir.

Q. Any log-rolling to carry any measure, or any other influences?

A. I have never seen anything out of the way at all.

Q. What has been your habit or practice in your lobby cases?

A. It has been to collect information and impart it to members of the Legislature in a respectful manner.

Q. Anything further?

A. Never, sir.

Q. Who have you been employed by?

A. Employed for the petitioners in the South Malden case.

Q. What were you paid by them?

A. I think it was $110; rather small pay; I was a green hand in the business.

Q. (By Mr. LADD.) Was that this year?

A. Yes, sir.

Q. Have you been employed by any other parties?

A. In the Acton and Boxborough case, in favor of the petitioners.

Q. Paid by them?

A. I was promised to be paid something; but I never have been; I don't expect to get anything.

Q. Any other parties?

A. West Roxbury, against the removal of the depot.

Q. Who employed you there?

A. Private parties who lived out there.

Q. What were you paid in that case?

A. It was a small amount—I think $125.

Q. Any other parties?

A. I think that is all.

Q. Last winter were you engaged here?

A. I was a member last year. I think I was not corrupted at all last winter by any one; I don't remember of being.

Q. (By Mr. LADD.) This is your first year as a lobbyist?

A. Yes, sir.

Q. Only those three parties have employed you?

A. Yes, sir. I wish to say that I was advertised in the *Springfield Republican*, or I should not have stayed at the State House after I got through with the South Malden case. I thought I would take advantage of the advertisement, and see if I could not get something else.

Q. Did you find it a good investment?

A. No, sir, not very—they don't advertise as thoroughly as they ought to, every week.

Q. Have you had anything to do with log-rolling?

A. No, sir—I hardly know what it means. I never was a member of the Legislature except last year. I didn't see anything of it then. I hardly

know what the word means. I live too far out in the country to know much about such things.

The CHAIRMAN. You understand the popular meaning of the term?

A. Yes, sir.

Q. And when you answer the question, you know what question you are answering?

A. Yes, sir.

FIFTH PUBLIC HEARING.

TUESDAY, June 1.

The Committee met at 11 o'clock, and the following gentlemen appeared and were sworn: Moses A. Dow, Henry E. Pond and Charles Porter.

TESTIMONY OF MOSES A. DOW.

Q. (By the CHAIRMAN.) Mr. Dow, where do you live?

A. Charlestown.

Q. What is your occupation?

A. I am a publisher.

Q. Have you taken any special interest in the annexation of Charlestown to Boston?

A. My name was the leading petitioner for the two last years.

Q. Did you have occasion to visit the State House during the session?

A. Very seldom. I haven't any particular faculty for working there, and I employed counsel to do the work.

Q. What counsel did you employ?

A. Geo. O. Shattuck and D. H. Mason.

Q. Were there any other parties who desired to be employed about the State House by you?

A. There was one of the petitioners, Mr. Field, who was interested in annexation, and had more time than I had. I gave him some remuneration for showing the advantages of the project to the members, the same as I should myself.

Q. Were there any parties who solicited you to employ them?

A. Not at all. There was a gentleman called upon me during the session of the Legislature, who said he came from the same town that Senator Ray, a member of the Committee on Towns, came from, and that he could influence that member to go either one way or the other, and wanted to know if I didn't want some influence in the lobby on my side. I told him I didn't employ people in that capacity. He immediately left without any reply.

Q. Who was that?

A. He said he was formerly a representative from the same town as Mr. Ray. I don't know his name.

Q. Should you know him if you should see him?

A. I can only tell his general appearance. He was a man about your size.

Q. Was it Mr. Charles Porter?

A. He looks like that man, but I can't say positively. I know he was from the same town as Mr. Ray. His countenance didn't look like this man's

[Mr. Porter,] but he was about his size. I should not recognize him by his features.

Q. (By Mr. BIRD.) Did he come to you at the State House?

A. No, sir; at my office.

Q. At your office down town?

A. Yes, sir.

Q. (By the CHAIRMAN.) Did he make any representations in regard to his influence?

A. He said he was posted in the lobby business, was acquainted with the business, and could do me a good deal of good in that line, if I wanted him.

TESTIMONY OF HENRY E. POND.

Q. (By the CHAIRMAN.) You heard the testimony of Mr. Dow?

A. Yes, sir.

Q. Were you the gentleman who called on him?

A. I went to his office, but I don't remember of making any such remarks as he states about influencing Mr. Ray, either one way or the other.

Q. (By Mr. CHILDS.) What did you go there for?

A. I went there to get a chance in the Charlestown matter. I knew that Dorchester was coming up, and I was in that county, and wanted to work against it.

Q. (By Mr. BIRD.) Wanted to work against Charlestown?

A. I wanted to work against Charlestown, for the same reason that I wanted to work against Dorchester.

Q. Did you know Mr. Dow was in favor of annexation?

A. I wanted to work against annexation.

Q. Why did you go to Mr. Dow?

A. I understood he was a petitioner in favor of annexation. I wanted to go against annexation.

Q. Why should you go to him?

A. Because he was the head petitioner.

Q. You didn't suppose he was going to employ you to work against it, did you?

A. I don't know. I think that when I went there, I had not got the right idea of it; I thought he was against annexation. I think that was the idea I had when I went there.

Q. (By Mr. LADD.) You did not know he was in favor of it?

A. Not until he told me.

Q. You did not go there, then, for the purpose of being bought off?

A. No, sir.

Q. Did you tell him which way you intended to go?

A. I think I did. I don't remember much about it. He said he did not employ any one; and there were but very few words said.

Q. Did he state that he did not employ any one, or any one who was opposed to it?

A. That he did not employ any one, any way.

Q. (By Mr. BIRD.) Didn't you know when you went to see him that he was the head petitioner for annexation?

A. I went there twice. The last time I went, I think I did know.

MOSES A. DOW—*Recalled.*

Q. (By the CHAIRMAN.) I would like to ask you if Mr. Pond did, or did not, say to you that he would work either way.

A. He said if he did not work on my side, he would work on the other.

Q. (By Mr. BIRD.) Are you clear in your recollection as to his saying he could influence Mr. Ray?

A. He said he could influence Mr. Ray.

Q. (By the CHAIRMAN.) To go either way?

A. Yes, sir; that he had voted for Mr. Ray for office, and that Mr. Ray would coincide with his wishes.

TESTIMONY OF CHARLES PORTER.

Q. (By the CHAIRMAN.) Where do you live?

A. I live in Melrose most of the time, sir. I would say that I expected Judge Parker here with me. He does not seem to be about. I will go on under your directions.

Q. What's your business?

A. I am a farmer.

Q. You spend more or less time about the State House?

A. I do.

Q. And what is your business here?

A. Well, I was going to say, if you will allow me, what questions I was advised by counsel to answer, and what not to answer.

Q. I would like to have you answer that question, and then, if any questions come up that you choose to object to, you can state your reasons. What is your business about the State House?

A. I should say, in answer to that, if I answered it, that my business about the State House was to look after some matters of legislation sometimes.

Q. As counsel?

A. Yes, sir.

Q. I will ask you if you have been employed in any cases here as counsel this winter?

A. I will answer that by saying that I have never been employed or received any money to improperly influence legislation.

THE CHAIRMAN. There is nothing to be presumed of that kind. The Committee do not presume anything of that kind.

WITNESS. The question is whether you will *compel* me to answer all these questions. That is the point.

THE CHAIRMAN. I have only asked you one.

WITNESS. I know; but that opens the road. I might as well make a beginning on that.

THE CHAIRMAN. I ask you if you have been employed as counsel this winter in matters of legislation. It is a simple question, and can be answered by "Yes" or "No."

A. I should say, Yes.

Q. Now, what cases?

A. Well, do you want "Yes," or "No;" for I see at your last meeting——

Mr. BIRD. I object. Let the witness answer the question. We don't want a speech.

THE CHAIRMAN. Answer the question, without any circumlocution or equivocation.

WITNESS. I don't propose to equivocate. I propose to answer the question in my own way, if you will let me. If you don't, it may come down to "Yes" and "No."

The CHAIRMAN. Answer the question, what cases you have been employed in as counsel before the Legislature?

A. I was employed in the Granby case.

Q. Now, will you tell us what you know about that Granby case?

A. But you don't propose to have me. You say I should answer "Yes" or "No," and you don't want a speech. I would like to tell you what I know about it, all the way through.

Q. You may state the other cases first, Mr. Porter, and then we will have it all in order.

A. The case of moving the depot at West Roxbury—that was the first case that was called to my notice in this Legislature.

Q. (By Mr. LADD.) For or against?

A. For the removal of the depot.

Q. In the Granby case, were you for or against?

A. I was against the division of the town. I was applied to in the Gardner case—the Gardner and Sterling Railroad, I think is the name.

Q. You were employed in that last case?

A. No, sir; they proposed to retain me——

Q. Who proposed?

A. Mr. Heywood, of Gardner.

Q. What did he offer you?

A. He came and asked me if he could retain me in that case, and I said, no, not until I knew what he wanted, and what he was going to do. He told me that he had expected a report from the railroad committee, but it turned out that it was to be against him. I told him I did not care to be retained by him until I knew how the matter stood, and where he was. He asked me if I would look the matter over, and give him an answer. I told him I would, and I did, and told him he could in no possible way get his bill through, and he had better save his money and labor, and go home; and he did.

Q. What other cases, Mr. Porter?

A. Well, sir, I was in the anti-consolidation case, but I wasn't employed by anybody.

Q. What do you mean by "in the case"?

A. I did what I could against the consolidation of the New Haven, Hartford and Springfield, and New York and New Haven roads.

Q. You used your personal influence?

A. Yes, sir.

Q. You were not employed by anybody?

A. No, sir.

Q. (By Mr. BIRD.) You did not expect to be paid by anybody?

A. Nobody agreed to pay me, and I have asked nobody to pay me.

Q. That is not the question I asked you. I asked you whether you expected to be paid by anybody?

A. Well, that is a matter of opinion, altogether, whether I did or didn't.

Mr. BIRD. I want to know what your own opinion is.

The CHAIRMAN. The question of Mr. Bird is, did you expect any compensation from anybody for your services?

A. Well, I should say, No.

Q. (By Mr. BIRD.) You "should say, No." You do say, No?

A. That would be my answer, in that matter. Yes, sir; I do say, No. I have no claim upon anybody.

Q. That is not the question. Do you expect, or did you expect to receive any compensation in the matter? That can be answered by "No" or "Yes."

A. Well, then, I will answer it, No.

Q. (By Mr. LADD.) What do you mean by "No"? That you don't now, or didn't?

A. I mean that I didn't then, and don't now.

Q. (By the CHAIRMAN.) What other cases, Mr. Porter?

A. Well, I don't think of any other, just now.

Q. You were not connected with the Malden matter?

A. No, sir.

Q. Nor the Charlestown matter?

A. No, sir. I have been applied to on various matters, which I have not gone into at all.

Q. Now, will you tell us about the Granby matter?

A. In my own way?

Q. Yes, sir.

A. Two elderly gentlemen called on me one evening, saying they wanted to retain me in the Granby case. I knew nothing about the Granby case, and I said to them I didn't. I asked them how much money they had raised. I think they said $2,400; and my impression was that they had it about their clothes somewhere. I got that impression.

Q. How did you get that impression?

A. I think they said so.

Q. You know they said so, do you?

A. I know they said they had raised the money.

Q. And they led you to infer they had it about them?

A. Yes, sir. I asked them how large the town was, and they told me about 500 or 700 inhabitants. That struck me as a very large sum, and I asked them if that was all the money they could raise, and they said they didn't know but they could raise something more. My answer was that I would see where their case stood, as near as I could, and report, and I came away. I went into the House of Representatives and inquired about it. I

met them in the evening, and inquired how their senator was on the matter, and they said they thought he was against them. I said, "I don't want you to retain me; I think you had better take your money in your hat, and take the next train home, for I don't believe you can get twenty-five votes in that House under any conceivable state of things."

Q. They were to oppose the setting off?

A. Yes, sir. They went home, but came back again, and said they didn't want to give it up in that way. Well, I told them, very well, if they wanted to try it they could try it, and they went into the House. I did say to them, "Do nothing in the House; for every effort you make in the House will just sink you so much deeper." I said, "You couldn't get twenty-five votes in the House, if you had the Angel Gabriel to speak for you." They insisted on talking in the House, and they got, I think, twenty-four votes. It went into the Senate, and they killed the bill there.

Q. Who were you employed by?

A. I was not employed. They didn't say a word about giving me any money, and they went home without giving me any money.

Q. If they had proposed to give you any money, would you have been employed by them?

A. I would, certainly.

Q. Who were those men?

A. I think one of them was named Chapin, and the other man's name was—I am not good at names; it has gone from me now.

Q. (By Mr. LADD.) Aldrich?

A. That is the man; and afterwards there was a Mr. Cook came there.

Q. So that you had nothing to do with that case, on either side?

A. Oh, yes, I did.

Q. Anything said about compensation?

A. No, nothing said—not a word.

Q. (By Mr. BIRD.) Do you consider that you have any claim on them now?

A. Yes, sir, I do.

Q. (By Mr. LADD.) You worked against the measure in the Senate?

A. I gave them my advice, mostly. I didn't do much work. I think all you senators will bear me out, that I don't go round button-holing you much.

Q. (By the CHAIRMAN.) What claim have you against them?

A. No more claim than this, that I advised them what to do.

Q. You claim compensation as counsel?

A. Yes, I claim as counsel.

Q. You have no doubt they will pay you?

A. I have not a particle of doubt of it. I think they will be very glad to.

Q. (By Mr. LADD.) How much will you claim?

A. That I have not fixed.

Q. About how much?

A. Well, I should say $500 would be a fair price. That would be my impression. Anywhere from $300 to $500.

Q. How did you earn that?

A. I may not have earned it. It is very questionable whether I did. If they chose to ask my advice——

Q. (Interrupting.) Upon what ground do you claim three or five hundred dollars?

A. I claim if any man comes and wants me to give him my advice in a matter, how to proceed in a case, and I do it, he will pay me.

Q. You advised them to keep out of the House?

A. I did. I advised them to keep out of the House altogether, for everybody I met said they had agreed to vote for Mr. Montague. They didn't know much about it, but it was a good-natured thing, and they were going for it. It was natural as life, as you saw in that matter about allowing towns to take stock in railroads. Last year you couldn't get such a thing through the House—it was impossible.

Q. What was your connection with the West Roxbury case?

A. The first I knew, a young man came up to see me. He wanted to know if my name was Porter; I told him it was; and he said he wanted the West Roxbury depot removed, and wanted to employ me. I asked him how much he was going to spend on it, and he said one or two hundred dollars. I said, "You had better take your money and go home. I don't think you need trouble yourself much about it. In the first place, if the Providence road don't want to remove it, you can't do anything about it." They went off, but they came back in a fortnight, and insisted upon my giving them advice, and I did. They then came to me and said that Mr. Bird had said to them that they had advised with me, and he would kill the bill in the House, and they thought I had better take myself away. My answer was, that I wasn't in a hurry to come into the case, and I didn't think I would be in a hurry to go out, and I will try that. The case went into the House; there was a long discussion, and they carried the bill. Then I said to them, "I don't care to trouble myself any further about your matter. You suggested to me that I had better go out, and I am ready to go out." Then I see that in your other meeting, these various gentlemen testified that they were in that West Roxbury case, all of them, in the Senate, and there it was partially defeated.

Q. (By the CHAIR.) You abandoned the case after it went through the House?

A. I did once—but they came back and insisted upon my advising them; and I said, "You don't do what I tell you to do."

Q. What did you advise them?

A. In the first place, I advised them to get the Providence road to back their petition, and I went to see the Providence road for them. I said, "These young men are green, and they can't get anything through there. If you want the depot moved, you had better second the application." But they declined doing that. I think I went to see them three several times.

Q. (By Mr. BIRD.) Who do you mean by them?

A. Why, the Superintendent.

Q. (By the CHAIRMAN.) Who were those young men?

A. I think the name of one was Campton. The other man was this Mr.

Goodwin who was up here to testify in the police investigation. Mr. Campton seemed to be the principal man, and Mr. Billings seemed to be the man who was putting out his money on the other side. I think there were four or five men up here who testified they were in that case, and they were all on the other side.

Q. How much money was paid out in that case, to your knowledge?

A. They paid me $100.

Q. That was the whole?

A. That was the whole.

Q. What was the next case?

A. [Reading from memorandum.] "West Roxbury—Gardner—Consolidation." I have no claim on the Canal road; if they should give me one or two hundred dollars, I should take it.

Q. But you don't expect they will give you anything?

A. No, sir.

Q. (By Mr. LADD.) Did anybody speak to you about it?

A. No, sir.

Q. You volunteered your services?

A. Yes, sir.

Q. Did you have any consultation with anybody in that case?

A. I don't recollect that I did; I may have.

Q. Don't you remember whether you spoke to anybody, or anybody spoke to you about it?

A. Very likely they did.

Q. Well, don't you remember it?

A. No, sir.

Q. (By Mr. BIRD.) Did you see Mr. Gillette, or not?

A. I saw Mr. Gillette a great many times. I presume I did. I have had a great deal of talk with him this winter. I have no doubt I did.

Q. (By Mr. LADD.) You did have conversation with him?

A. I presume I did.

Q. You "presume." Don't you know you did?

A. No.

Q. You have no recollection of it, one way or the other?

A. I have so much talk with so many folks, I don't recollect any set talk with him on that matter. Very likely I did; but I say too many things to recollect them all.

Q. Did you see Mr. Yeamans about it?

A. I saw Mr. Yeamans here.

Q. Did you talk with him about it?

A. I think I did. I should be likely to.

Q. Did you counsel with him what to do and how to do it?

A. No.

Q. Did you oppose it?

A. I opposed it, yes.

Q. On what ground?

A. Well, I believed it was all wrong, both for the State and everybody else.

Q. In any particular interest?

A. No, sir. One thing led me to do it. I was threatened by a certain party, that if I didn't keep out of it, the "Springfield Republican" would be down on me. He was a member of the House. My answer then was, that they could go ahead.

Q. (By Mr. BIRD.) Who was the member?

A. If you will allow me, I will tell you how the thing came up, and I will tell you the man's name.

The CHAIRMAN, (interrupting.) I think it is no more than just that you should give the name of the party.

WITNESS. I will give you the man's name, if you will let me tell my story.

Q. (By the CHAIRMAN.) You were threatened by whom?

A. You will have that answer in good time.

The CHAIRMAN. You have charged a member of the House with threatening you, unless you pursued a certain course. I now ask the name of that member of the House.

A. Let me tell you just what was said. Mr. Haynes, of Springfield, came to me and said this: "We have talked with certain parties on this consolidation, and nobody seems to object it, but you seem to be stirring up a row here. Now, it ain't going to do any harm to anybody, and you had better keep out of it. If you don't, we will make a nasty mess of it."

Q. What did he mean by that?

A. I had no doubt what he meant, and in six days down came the "Springfield Republican," with that first letter about Mr. Drew.

Q. (By Mr. BIRD.) You said a member of the House threatened you, that if you didn't keep out of it, the "Springfield Republican" would be down on you. Did he say that?

A. I have told you just what he said. That was my inference.

Q. Then that was inferential?

A. Yes, sir.

Q. (By Mr. LADD.) He didn't mention the "Republican"?

A. He did not.

Q. He simply said he would make a nasty mess about it?

A. Yes; and as that same expression has been used in the "Springfield Republican," it looks to me as if it came from the same source.

Q. Did you say you had a claim against the Canal road?

A. No, I didn't. I said that if they should give me one or two hundred dollars, I should take it.

Q. Was there any understanding?

A. No, sir, not a particle—no way, shape or manner.

Q. Have you asked for any compensation?

A. No, sir.

Q. Did you ever work for them before?

A. I was in the consolidation matter last year.

Q. Against it?

A. Against it. I didn't do much work in the matter.

Q. Were you paid anything for it?

A. My impression is that I got $100.

Q. Who paid it?

A. I should say that Mr. Yeamans paid it. That is the first time I ever saw the man at all.

Q. (By the CHAIRMAN.) What is his connection with the road?

A. He is President or Vice-president of the Canal road, as I understand it.

Q. (By Mr. LADD.) Did you make any arrangement with him last year?

A. No, sir.

Q. (By the CHAIRMAN.) It was the same last year as this, was it?

A. Let me recollect. That is my recollection of it.

Q. That last year was the same as this?

A. No; I think last year—

Q. You said last year you made no arrangement?

A. No, I didn't mean to say that exactly. I was trying to recollect when it was first called to my attention. I don't think there was any arrangement made last year, no, sir.

Q. Then you have just as much claim this year as last against Mr. Yeamans?

A. Yes, sir.

Q. And you have just as much reason to suppose he will pay you this year as last?

A. No, sir, I don't think I have.

Q. Why not?

A. I think that after that talk with Mr. Haynes, I made up my mind that I didn't care about Yeamans or anybody else, but I would go in, and they might run their machine as they chose, for I knew very well that Mr. Chamberlain proposed to put in the proper amendments to let Gillette's interest off, so that they could thereby consolidate; and I don't know but I was asked, but I said, "No, you may agree to anything you've a mind to, I won't." That they might agree to anything they had a mind to, it didn't affect me at all.

Q. (By the CHAIRMAN.) How much compensation did you receive, directly or indirectly, from parties interested in one way or another in matters before the Legislature, for services rendered?

A. I should decline answering.

Q. Well, approximate.

A. I should decline answering approximately.

Q. Upon what ground?

A. Upon the ground that, as I am advised by my attorney, I am not obliged to answer questions of a private nature. If I received no money to improperly influence legislation, beyond that they cannot compel me to answer. I am sorry he is not here.

The CHAIRMAN. It is a serious question, what proper means of influencing legislation may be. The proper way for members of the Legislature to be influenced is by reports of committees. The testimony is presented to the committees, and the committees, acting upon that testimony, make their reports to both branches, and it is through those reports that the legitimate influences come.

WITNESS. Allow me to make a remark right there. If the committees of this Legislature or any other will go into either branch and give the testimony just as it is given to them, and there leave it, without taking sides, then I grant you, that is fairly before the Legislature. I undertake to say—

The CHAIRMAN. (Interrupting.) I object to your statements. So that the Committee might perhaps conclude that any outside influences brought to bear upon members of the Legislature were not legitimate, the legitimate means being the introduction of testimony before committees, and the testimony of the committees themselves.

WITNESS. Yes. Now, you won't allow me to state—

The CHAIRMAN. (Interrupting.) I simply ask this question: How much money you received, directly or indirectly, from parties interested in matters of legislation last year, for your services at the State House?

A. I couldn't state it; and if I had the facts, I should decline stating it.

Q. (By Mr. LADD.) Will you state about the amount?

A. Well, I say I decline answering it, on general principles. I can't recollect the amount.

Q. Is this any more private business than what you have answered already?

A. I take it I have answered a great many things which I was under no obligation to answer, but it was a kind of free talk.

Q. Why do you object to answering?

A. Because I think I have got about far enough in that direction. I don't know but in my former testimony I was drawn into some cases which I should like to explain, but you don't seem to be inclined to let me, and I am not desirous of it.

Q. (By the CHAIRMAN.) Such as what?

A. Such as certain log-rolling last year between certain parties. I think there was a good deal of testimony given here at the last meeting that was not true; that is, it wasn't strictly true.

Q. (By Mr. LADD.) What matters before the Legislature were you employed on last year?

A. The Wakefield Railroad seemed to be my principal institution last year?

Q. Any other?

A. I was an adviser in the East Boston bridge matter. That is a matter which has been talked over during the last session a good deal.

Q. What else?

A. I don't recollect anything else now.

Q. Only those two things?

A. Well, that anti-consolidation and the bridge and the Wakefield matter all came up at the heel of the session, and two of them were vetoed.

Q. There were only those three matters that you were engaged in last year?

A. Yes, sir.

Q. What were you employed to do for the Wakefield Railroad?

A. I was employed to get the charter.

Q. And succeeded?

A. I did.

Q. How did you do it?

A. In the first place, by having the road surveyed, and, in the next place, going before the Committee, and trying to convince them it was a proper thing to be done. There was a unanimous report against it. I then tried to convince the members, as far as I could, that it was a thing proper to be done, and it was carried?

Q. Through any log-rolling influences?

A. No, sir; a man who knows anything, and comes to this Legislature, will never undertake to log-roll. There are two sides to it. I would like to explain by referring to the Hoosac Tunnel and East Boston Bridge.

Q. How much did you receive from the Wakefield Railroad?

A. Nothing. That is a thing that interested me directly. That runs through my village, and close to my place. I think I have got the amount I paid out somewhere about me.

Q. (By the CHAIRMAN.) Paid out to whom?

A. I will tell you in a minute, sir. [After searching for memorandum.] I don't know as I have got it here. I had it for another purpose. I don't seem to find it. I think it was $375.

Q. (By Mr. LADD.) You paid out $375?

A. Yes, sir.

Q. Was that money ever refunded to you?

A. Yes, sir.

Q. By whom?

A. By the petitioners for the road, I think.

Q. (By the CHAIRMAN.) Paid out how?

A. I paid it for surveying the road, and various things.

Q. What do you mean by "various things?"

A. Well, I will tell you, sir. I paid, I think, to Mr. Young, of Lowell, $100.

Q. What was he—a lobbyist?

A. I think he calls himself so. I think he testified, the other day, that he was applied to, on both sides, in that Granby matter, which I very much doubt, on my side of the house; I don't know how it is on the other.

Q. (By Mr. LADD.) What did you do with the other $200?

A. I paid it for surveying the road, and other incidental expenses. I thought I had a memorandum here, but I haven't got it.

Q. How much did you receive on the East Boston Bridge matter?

A. That I don't recollect.

Q. Did you receive anything?

A. I think I did. I went to Washington for them, and did various things. I don't recollect exactly how the matter was settled in that direction.

Q. You were in favor of the bridge?

A. I was distinctly in favor of the bridge. And just there I will explain about that log-rolling with the Hoosac Tunnel. There were two parties in the House, one headed by Mr. Jackman, who was opposed to the tunnel, and

the other headed by Mr. Towne, of Fitchburg, who was a tunnel man. There was a member of the House from East Boston, by the name of Tompkins, who was a talking man, and very much interested in the bridge. I told him distinctly to keep clear of both those cliques; to have nothing to do with them, for they would run him into the ground if he tied up with either of them. He wasn't inclined to do just that, but he came to me one day, and said, "Mr. Jackman swears, if I go for the tunnel, he will knock my bridge higher than a kite; and Towne says, if I don't go for it, *he* will knock the bridge higher than a kite; and," says he, "what shall I do?" I told him, Keep clear of all these men. Run your own machine. Go back and tell them to go any way they have a mind to, and that you are going any way you have a mind to, and see that you do it. On the Wakefield Railroad, the tunnel boys were tied up by the committee, and they threatened everybody.

Q. Who did?

A. I will take that back, I guess. Let me see—I don't know as I will. Well, let that go. The first time I ever spoke to Mr. Towne, he came to me in the House, and asked me to have my bill amended so that he could vote for it. I knew he had tied up with the other side, and I said, "No, sir, I don't want you to vote for it; you have tied up with the other side, and you may go to the other side, and stay there." He said, "I won't talk with a man who talks in that way." "Well," I said, "you commenced the talk; I didn't." They went against the Wakefield Railroad, but when they got whipped, then they turned round. I said to them, "I think it would have taken very little effort to smash the tunnel, so that it never would have seen daylight again." Mr. Towne wanted me to help him, but I told him I wouldn't have any thing to do with it. I said then, he was whipped out of his boots, and if he wasn't pretty smart, he would find himself out; and I left Mr. Towne, and the tunnel, and Mr. Jackman there.

Q. (By Mr. LADD.) That was on the Wakefield Railroad?

A. Yes, sir. The Wakefield Railroad, the bridge and the tunnel were the three great things that were kicked about and contended for last year. There was a unanimous report by the railroad committee against the Wakefield Railroad, and they were very anxious not to be overruled. Then it was a new thing to overrule the railroad committee. This year you see they are run over every other day; but previous to this year I have never known a case where the unanimous report of the steam railway committee was defeated. Mr. Bates, who, as you know, is as well acquainted with legislation as anybody else, was the attorney with me for the Wakefield Railroad, and after we got the report, he said, "It's no use trying to carry the bill. You know Alexander is a worker, and you can't do any such thing." The Wakefield Railroad did go through, nevertheless, and the controversy became very personal and very severe, so much so that the railroad committee went before the governor with the plans of the railroad after the bill passed, as they did with the plans of the East Boston Bridge; and if I had not sent the bill to him a month before, and got his opinion upon it, I guess it would have gone the same way. I happened to have the note in my pocket, and when he had kept the bill four days, I thought I might as well send that round, and let

him see what he had said about the bill. I knew they had a man in their employ who would try very hard to get the governor to veto the bill, and I got a man to take the bill to the governor, and write me what he said about it; and but for that, I don't think he would have signed the bill. That is my impression.

Q. (By Mr. LADD.) You say the East Boston Bridge helped the tunnel?

A. No; that was where Jackman was on one side and Towne on the other. This man Tompkins was an East Boston representative.

Q. Have you been employed this season before committees, as an attorney, or in the House and Senate?

A. Both, I should say.

Q. Have you appeared as counsel before committees?

A. I think I have. Oh, I was in the Wakefield Savings Bank case, and I am in this matter of private telegraphs.

Q. This year?

A. Yes, sir.

Q. What are you doing there?

A. Trying to get a bill; and I did get the bank bill, and it is signed.

Q. How much did you get for it?

A. Nothing.

Q. How about the telegraph?

A. Nothing.

Q. Expect anything?

A. No.

Q. Any other case?

A. No, sir. I believe I did do a little for the Methodist University, in a good-natured way. I belong to that church, partially, and I felt it my duty.

Q. (By the CHAIRMAN.) You say you act as counsel. Are you an attorney?

A. If you will explain what you mean by "attorney."

Q. Have you a license under government?

A. No, sir, I have not.

Q. You pay for no license?

A. No, sir, I don't; perhaps I ought to.

Q. You are not a lawyer?

A. No, sir.

Q. (By Mr. LADD.) Did you appear as attorney in the Granby case before the committee?

A. Oh, the Granby case had gone to the dogs before the committee before I heard anything about it.

Q. You did not appear, then?

A. No, sir.

Q. In the West Roxbury case, did you appear before the committee?

A. I think that had gone up before I went into it.

Q. (By the CHAIRMAN.) I don't understand you that it is your function to appear before committees and argue cases?

A. It is, if parties desire to have me.

Q. You have done that?

A. I have. I think I was the only party before the committee on the savings bank matter, and I shall probably be the only one before the committee on the telegraph. I am too fast now; I was in the French telegraph matter.

Q. In favor of it, or against it?

A. In favor of it.

Q. Employed by any party?

A. No, sir. My connection was this: It went before the committee, and they reported unanimously against it. I had known something about it, and something of the opposition of the English cable against it, and I said I thought it ought not to be. I didn't know one of the parties who were before the committee.

Q. It was merely a matter of personal interest on your part?

A. Yes, sir; but they did send me a hundred and fifty dollars.

Q. (By Mr. LADD.) Any understanding on your part?

A. No, sir. They never asked me; but I believe it was an outrage to drive that cable from here to New York to accommodate anybody.

Q. (By the CHAIR.) You don't know who sent you that $150?

A. No, sir.

Q. You gave no receipt?

A. No, sir.

Q. How did it come, by mail?

A. I think it did.

Q. In a check?

A. No, sir; I guess it came in money.

Q. (By Mr. LADD.) Where from?

A. That is more than I know.

Q. Where was it mailed?

A. Mailed in Boston, I think.

Q. Anybody sign the letter?

A. No, sir,

Q. Simply the money?

A. Simply the money.

Q. How did you know what it was for?

A. I don't know, but I very much suspect that was it.

Q. (By Mr. CHILDS.) You are generally in opposition to the other branch of the lobby, Mr. Foster and his set, are you not?

A. Yes. I generally do all I do single-handed—what little I do.

Q. When he is on one side you are generally on the other?

A. I think in this West Roxbury case, the whole lot of them were on the other side.

Q. Were you ever in any case on the same side?

A. No; I don't recollect that I ever was.

Q. Should you take a case on the same side?

A. I don't know but I should if it was a matter that ought very much to be passed, and was of great consequence to the Commonwealth.

Q. (By Mr. LADD.) Were you in the Malden case, or not?

A. No, sir.

Q. How many years have you been employed here?

A. I don't know. I have been interested in railroads. The first of my coming here, I came to get a charter for a railroad.

Q. How long ago was that?

A. Eight or ten years; and found myself and railroad out of the State House bottom-side up.

Q. Have you been here every year since?

A. No, sir.

Q. Have you ever been employed by any railroad corporation?

A. I don't recollect now; I presume I have been.

Q. There has been some testimony that some gentlemen are employed here annually?

A. A great deal of these reports that you get from some of the other gentlemen is mere buncombe.

Q. I want to know how it is with you?

A. That is not my case at all. I don't run all the railroads in the Commonwealth.

Q. You are not employed to instruct the committees of the Legislature in regard to their duties in relation to railroads?

A. No, sir.

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